

Annex J

Highlights of

Your GM Benefits

A Handbook for Salaried Employees in the U.S.

AS A GM SALARIED EMPLOYEE...

you enjoy one of the finest and most comprehensive employee benefit packages in industry. GM has been and continues to be a leader in providing a broad range of benefit programs to protect employees and their families. Today's GM benefits are an important factor in making your life more enjoyable and the future of yourself and your family more secure. This booklet contains the highlights of those benefits which apply to GM salaried employees working in the United States.

This booklet presents general information only and is designed to give you a broad picture of some of the added values of working with General Motors. Any reference to the payment of benefits is conditioned upon your eligibility to receive them. Each of these programs has its own terms and conditions which in all respects control the benefits provided.

Where to find the information you want

| | <u>PAGE</u> |
|---|-------------|
| 1. SAVING WITH GENERAL MOTORS —Encouragement to save for the future, under the Savings-Stock Purchase Program..... | 6 |
| 2. VACATIONS AND HOLIDAYS —Paid leisure time..... | 9 |
| 3. HOSPITAL AND MEDICAL BENEFITS —Payment of hospital, surgical, medical, prescription drug and dental expenses for you and your family..... | 10 |
| 4. DISABILITY BENEFITS —Monthly income and other benefits in the event of your sickness or injury..... | 14 |
| 5. SURVIVOR BENEFITS —Financial security for your family in the event of your death..... | 19 |
| 6. RETIREMENT BENEFITS —Monthly income and other benefits during your retirement..... | 24 |
| 7. LAYOFF BENEFITS —Continued income and benefit coverages in the event you are laid off..... | 32 |
| 8. OTHER INFORMATION —To help explain your benefits..... | 35 |

1

Saving with General Motors

Under the GM Savings-Stock Purchase Program

You Are Eligible . . .

to participate in the Program if you are a salaried employee of General Motors in the United States and you have at least 6 months of continuous employment with GM. If you decide to participate, you may discontinue your participation or withdraw from the Program at any time.

How the Program Works

You may save up to 10% of your eligible salary each month, through cash or payroll deductions. General Motors contributes \$1 for each \$2 you save. All of this money is turned over to a Trustee.

Of the amount you save, one-half is invested in U.S. Government securities and the other half is invested in GM common stock. All of the amount contributed by GM is invested in GM common stock.

For example:

| For Each \$2 You Save | Amount Invested In | |
|-----------------------|-----------------------------|-----------------|
| | U. S. Government Securities | GM Common Stock |
| Your Savings | \$1 | \$1 |
| GM Contribution | \$1 | \$1 |
| Total | \$2 | \$2 |

Dividends and other earnings on all these assets are reinvested under your account as received.

Savings Are Accumulated in "Classes" . . .
which are formed each calendar year. You put your savings into a class only during the year in which it is formed.

At the end of the year, that class is closed to any further savings. On January 1 of the next year, a new class will commence.

You Make an Investment Election . . .
prior to the formation of each class. You request the Trustee to invest the U.S. Government

securities portion—which is one-half of your savings—in one of the following options:

* *Investment Option #1—U.S. Series E Savings Bonds*

These bonds have specified redemption values.

—or—

* *Investment Option #2—Diversified U.S. Government Securities*

This is a portfolio of U.S. Government bonds, notes, and bills and has a fluctuating value.

"Class Maturity" is Reached in 3 Years . . .

for classes formed after 1971. At class maturity the GM contributions in each class are completely "earned-out".

Earn-out at the rate of 8 1/2% per month commences in January of the third year after the year of class formation and is completed on December 31 of the third year.

GM contributions in unmatured classes are earned out immediately under most types of retirement and for certain other terminations of employment (see pages 23, 29 and 37).

You Make a Distribution Election . . .

prior to the maturity of each class, to either:

* Leave your assets (other than the portion invested in Series E Bonds) in that class until your retirement or other termination of employment, subject to withdrawal rights as described on the next page.

—or—

- Receive all the assets in that class early in the following year.

Any series E Bonds to your credit will be dis-

tributed to you automatically upon maturity of the class, regardless of your Distribution Election.

You May Withdraw At Any Time

If You Withdraw From a Class Before It Matures ...

you will receive your savings, any earned-out GM contributions, and any earnings to your credit in the class. You will not receive unearned GM contributions or earnings thereon.

All withdrawals prior to class maturity must include all savings in the class or classes withdrawn.

Withdrawals must be made first of *all* savings in the current class and then of *all* savings in one or more previous classes, in the reverse sequence in which classes were formed.

You may withdraw from an unmatured class once during any calendar year and continue to make savings in the class. However, if you withdraw a second time during a calendar year, you will not be eligible to participate for the remainder of the current class.

A Guaranty Protects Your Savings

The market value of GM common stock can go down as well as up. You are protected by a guaranty against any substantial downswing in market values until maturity of each class.

If you withdraw or terminate your employment prior to maturity of a class and if the current market value of the General Motors

If You Withdraw From a Class After It Matures ...

you may withdraw all or any part of your savings from the class without penalty.

After you withdraw all of your own savings in matured classes, you may withdraw assets attributable to GM contributions, and all earnings, from matured classes, subject to the following:

- You will forfeit an amount equal to 5% of the value of the GM contributions and earnings withdrawn. This penalty is necessary to maintain favorable tax treatment of benefits under the Program.
- The amount of GM contributions and earnings withdrawn must total at least \$500. If the assets in your matured classes have a value of less than \$500, you will be required to withdraw all such assets.

common stock, U.S. Government securities and cash to your credit in that class at that time is less than the amount of your savings plus interest, you will be paid the difference in cash.

If, at maturity of a class, the current market value of your assets in that class is less than the amount of your savings plus interest, you will be paid the difference in cash.

There is no further guaranty after maturity of the class.

Voting Rights

You will be extended the right to vote, through the Trustee, all shares (including fractions, and whether or not earned-out) standing to your credit in the Trust on the record date for voting at each Annual Stockholders' Meeting.

You may exercise your right to vote by com-

pleting, signing and forwarding an instruction card to the Trustee where it will be tabulated and voted by proxy with proper precautions to preserve the complete confidentiality of your vote. Any shares standing to your credit for which your instructions are not received will not be voted.

Assets Received in Distributions

Regardless of how or when you receive the Program assets to which you are entitled, they will be delivered to you in the following form:

• GM Common Stock

Stock certificates will be registered in your name, except that in the event of your death they will be registered in the name of your beneficiary(ies).

In the case of a withdrawal from a class prior to its maturity, you may elect to receive

the cash value in lieu of the actual shares of stock.

• U.S. Government Securities

Series E Bonds will be registered in your name, or you may elect to receive the cash value in lieu of the actual bonds.

Diversified U.S. Government securities will always be settled in the form of cash. The amount of cash you receive will be based on the current unit value of the portfolio.

Designation of Beneficiaries

When you enroll in the Program, you will complete an Employee Bond Registration and Beneficiary Designations card to provide for appropriate distribution of the assets in your account in the event of your death. This designation will remain in effect until changed by

you. Therefore, it is recommended that any change in your marital status, number of dependents or other conditions which would affect the distribution of the assets in your account, be brought to the attention of your salaried personnel representative.

Annual Statement and Tax Information

You will be furnished an annual statement showing the amount of GM stock, U.S. Government securities and cash to your credit.

The U.S. Internal Revenue Service has informed General Motors that the Savings-Stock Purchase Program is a "qualified" employees' benefit plan. Therefore, no portion of your account is subject to tax before it is withdrawn or distributed from the Program. Thus, earnings are compounded and accumulated tax free while assets are held in your account under the Program.

For Federal estate tax purposes, death benefits attributable to GM contributions (not your

savings) are excluded from your taxable gross estate provided they are payable to a designated beneficiary other than your estate.

Additional tax information will be furnished to you from time to time during your participation in the Program—for example, when you make an Investment Election or a Distribution Election, and for most types of distributions of assets.

Present Federal income tax law requires the Trustee to report to the Internal Revenue Service taxable income you receive under the Program totaling \$600 or more in a year. You will be furnished a copy of any such report filed.

See pages 18, 33 and 36 for Program provisions while absent from work.

PROGRAM TEXT LANGUAGE . . .
containing all the detailed provisions of the GM Savings-Stock Purchase Program is distributed to participants as a part of the annual Prospectus for the Program. (See inside back cover for further information available in compliance with applicable Federal legislation.)

2

Vacations and Holidays

Vacation Time . . .

is considered essential not only for the good of each individual employee but also for the efficiency of the Corporation. Vacations enable each employee to contribute a more effective effort. Accordingly, it is GM policy to insist that you take the full amount of vacation to which you are entitled each year.

In order to insure that you take your full vacation each year, no salary payment will be made in lieu of vacation. Vacations may not be carried over to the following year.

Each regular salaried employee who was on the active roll on December 31 of the previous year (and who was not terminating employment on that date) and certain salaried employees who have been actively employed in the current calendar year are entitled to a vacation with pay in the current calendar year.

The tables in the opposite column show the vacation eligibility for regular salaried employees.

Vacations for Employees Hired After
October 1 of the Previous Year

| Employment Date | Vacation With Pay |
|-----------------------------------|---------------------------|
| Oct. 1 to Dec. 31 (previous year) | 1 1/2 weeks |
| Jan. 1 to March 31 (current year) | 1 week |
| After March 31 (current year) | None until following year |

Vacations for Employees Hired Prior To
October 1 of the Previous Year

| Length of Service as of October 1 of Current Year | Vacation With Pay |
|--|-------------------|
| 1 year but less than 3 | 2 weeks |
| 3 years but less than 5 | 2 1/2 weeks |
| 5 years but less than 10 | 3 weeks |
| 10 years but less than 15 | 3 1/2 weeks |
| 15 years but less than 20 | 4 weeks |
| 20 or more years | 5 weeks |

Holidays

You are entitled to a day off with pay for designated holidays. Within GM, holidays rec-

ognized for this purpose vary from year to year and are shown below:

| | 1974 Model Year | 1975 Model Year | 1976 Model Year |
|--------------------------|---|---|---|
| Thanksgiving | • November 22, 1973 | • November 26, 1974 | • November 27, 1975 |
| Day after Thanksgiving | | • November 29, 1974 | • November 28, 1975 |
| Christmas Holiday Period | • December 24, 1973 through January 1, 1974 (7 working days) | • December 26, 1974 through January 1, 1975 (8 working days) | • December 24, 1975 through January 2, 1976 (8 working days) |
| Good Friday | • April 12, 1974 | • March 28, 1975 | • April 16, 1976 |
| Memorial Day | • May 27, 1974 | • May 26, 1975 | • May 31, 1976 |
| Independence Day | • July 4, 1974 | • July 4, 1975 | • July 4, 1976 |
| Labor Day | • September 2, 1974 | • September 1, 1975 | • September 5, 1976 |

* or one other such holiday of greater local importance which may be designated by Management

NOTE: If you are an employee of a GM subsidiary company, the holidays observed may vary from those shown above. However, over the course of the 1974, 1975 and 1976 model years, your total number of paid holidays will equal those for other GM employees.

Additional Day Off: You also may be granted a day off with pay in each of the calendar years 1974, 1975 and 1976. To be eligible for these days off, you must have been on the active roll December 31 of the previous year. Establish-

ment of the day off may be determined on a group basis by Management; or on an individual basis in the form of an extra day of vacation; or on an individual basis at a time mutually satisfactory to Management and the employee.

DETAILED PROVISIONS . . .

of GM vacation and holiday policy are contained in the salaried employee handbook "Working With General Motors". Your supervisor or salaried personnel representative can help you with any questions you may have in your particular situation.

3 Hospital and Medical Benefits

You Are Eligible . . .

for basic coverages and for the *Comprehensive Medical Expense Insurance Program* on the first day of the second month following the month in which you commence working with GM. The entire cost of your basic coverages is paid by GM while you are at work. You and GM share the cost of the *Comprehensive Medical Expense Insurance Program*.

Basic Coverages . . .

provide protection for you and your eligible dependents against hospital, surgical, medical, and prescription drug expenses.

Hospital Benefits Pay For . . .

- Care in a semi-private room, including meals and general nursing services, for up to 365 days in a participating hospital or 730 days in an approved nursing home for general conditions.
- Most medical supplies in a hospital or approved nursing home, such as drugs, dressings, laboratory tests and oxygen.
- Covered services in the outpatient department of a hospital for treatment of injuries, certain medical emergencies, or elective surgery.
- Up to 60 days per year of physical therapy, renewable immediately following related surgery.
- Use of an artificial kidney machine, including use of necessary equipment and supplies in the home.
- Up to \$400 a year of outpatient psychiatric services in an approved outpatient psychiatric clinic.

Medical Benefits Pay For . . .

- Surgical operations and anesthesia.
- Obstetrical delivery, including pre-natal and post-natal care.
- Radiation therapy for malignant conditions.
- Diagnostic services, such as x-rays, electrocardiograms and lab tests.

- Unlimited doctors' medical visits in the hospital and doctors' medical visits at the rate of 2 visits per week for up to 730 days in an approved nursing home for general conditions.
- Outpatient treatment of accidental injuries or certain medical emergencies up to \$15 per doctor.
- Psychiatric services in a doctor's office, subject to certain deductible amounts which you must pay. Benefits are limited to \$400 a year in combination with expenses in an outpatient psychiatric clinic.

Prescription Drug Benefits Pay For . . .

most prescription drugs after you pay \$2 for each prescription or refill obtained from a participating pharmacy.

Benefits Are Coordinated with Medicare . . .

if you or one of your dependents is enrolled for Parts "A" and "B" of Medicare under Social Security. GM basic coverages are reduced by benefits payable for the same services under Medicare.

Improvements In Basic Coverages . . .

will be made as of October 1, 1975. The specific improvements will be announced in advance of the effective date.

Your Sponsored Dependents . . .

(generally aged parents) may have the same basic hospital, surgical, medical and prescription drug expense coverages as you have. You pay the full cost of these coverages.

Additional information regarding sponsored dependent coverages is available from your salaried personnel representative.

Dental Expense Benefits . . .

will be provided, effective October 1, 1974, for employees with at least 1 year of GM service, and for their eligible dependents.

Dental expense benefits will be available up to an annual maximum of \$750 per person for other than orthodontics (teeth straightening).

The portion of reasonable and customary dental expenses paid is:

- 100% for preventive services including routine examinations, cleanings, and

fluoride treatments.

- 85% for services such as fillings, x-rays and extractions.
- 50% for bridges, dentures and orthodontics.

Orthodontic services are limited to children under age 19 up to a lifetime maximum of \$500 per individual.

Dental expense benefits are not available to retirees, surviving spouses, and their dependents or sponsored dependents.

The GM Comprehensive Medical Expense Insurance Program . . .

provides *supplemental benefits* and *major medical benefits* for you and your eligible dependents. These benefits add to the protection provided by the basic coverages described above.

Active employees pay part of the cost of this additional coverage, based on the schedule below. GM pays the major portion of the cost.

| | Monthly Employee Contribution |
|-----------------|-------------------------------|
| Single Employee | \$ 45 |
| Two-Party | 1.10 |
| Family | 1.30 |

Supplemental Benefits . . .

are available in certain instances where basic coverages provide less than a standard benefit level. For example, if doctors' reasonable charges for surgery or anesthesia exceed the amount allowed by your basic coverages, you may qualify for full or partial reimbursement of your out-of-pocket expenses.

Supplemental benefits, when payable, are not subject to the deductible and co-insurance provisions described under "Major Medical Benefits".

Major Medical Benefits . . .

offer additional protection, after you pay a

deductible amount, when the basic and supplemental benefits described above have been exhausted or are not applicable.

Major medical covers reasonable and necessary charges for medical services and supplies, including those listed below which are not generally covered by your basic coverages:

- Physicians' non-surgical services out of hospital.
- Up to \$20 a day toward the difference in cost between a semi-private and a private hospital room.
- Up to \$10 a day for confinement in a nursing home.
- Professional private duty nursing care.
- Blood.
- Ambulance service.
- Artificial limbs and other prosthetic appliances.
- Semi-private hospital charges after the maximum duration allowed under basic coverages (generally 365 days) for most conditions.
- Dental work and dentures made necessary by an accident (to the extent not covered under the dental expense plan).
- Certain physical examinations and laboratory tests and inoculations.
- Up to \$90 a day, less amounts payable by basic coverages, for confinement in a hospital operated primarily for care of nervous or mental conditions.

You Pay a Deductible Amount ...

of \$100 toward covered expenses which are incurred each calendar year for the same individual. This \$100 is called the individual deductible amount. In meeting this amount, you can add up all your covered expenses for the same individual, whether they relate to one condition or to a number of separate different conditions.

However, if covered expenses incurred by two or more family members equal \$200 (the family deductible amount), no additional deductible amount will be applied against expenses incurred by any of your other family members for that calendar year. No more than \$100 of covered expenses for one family member can be applied toward the \$200 family deductible amount.

Any covered expenses incurred in October, November or December of any calendar year which are applied to the deductible amount for the year and therefore are not reimbursable can also be applied to the deductible amount for the following calendar year.

After You Pay the Deductible Amount

Your Insurance Pays 80% ...

of the first \$2,500 of remaining covered expenses incurred in a calendar year. You pay only 20%. This is called "co-insurance".

If covered expenses after the deductible exceed \$2,500, your insurance will pay 100% of the amount over \$2,500 (for other than out-patient psychiatric care which continues at 80%).

Thus, in no case would you pay more than \$600 per year (\$100 deductible plus 20% of first \$2,500) for each individual's covered expenses (for other than out-patient psychiatric care) unless the maximum reimbursement amount was exceeded.

The maximum reimbursement amount is \$25,000 per year for each individual. There is no lifetime maximum.

You Should File a Claim ...

when your out-of-pocket expenses exceed the \$100 deductible amount for an individual or

\$200 for your family. You also should file a claim any time doctors' charges for surgery or anesthesia exceed basic coverage payments, regardless of the amount. However, if your covered expenses are small, you may find it more convenient to postpone filing until the end of the calendar year.

When You Are Ready to File a Claim ...

you should obtain the necessary forms from your insurance office. At that time you will be given guidelines on how to proceed. However, there are things you should do routinely before you reach the point where you know you will have a claim to file.

- Keep all bills and receipts for medical services incurred by you or your insured dependents.
- Keep bills and receipts properly identified, separated by individuals, and in chronological order.
- See that bills or receipts are itemized and include patient's name, description of service or medical supply, date of service or purchase, and charges incurred.
- Keep basic coverage vouchers and, if applicable, Medicare Explanation of Benefit vouchers, with appropriate bills or receipts.
- Be sure drug receipts include prescription number, name of patient, date of purchase and amount of charge.
- Be sure that receipts for medical supplies or equipment are supported by certification of the attending physician that such supplies or equipment are medically necessary.

It is your responsibility to accumulate your bills, receipts, and other supporting documents for a claim. By planning ahead, you can help yourself to obtain all the benefits to which you are entitled with a minimum of time and effort.

If you are in doubt as to whether or not you should file a claim, you are urged to submit a claim and allow the insurance carrier to determine benefits which might be payable.

INSURANCE CERTIFICATES ...

or their equivalent, containing all the detailed provisions of your hospital-medical coverages will be made available upon request through the applicable insurance carriers.

4

Disability Benefits

While You Are Sick or Injured

If You Are Unable to Work . . .

because of sickness or injury, you may be approved for a disability leave of absence. To be granted a disability leave, you must furnish satisfactory proof that you are unable to discharge your normal responsibilities as a result of sickness or accident.

In the usual case you will continue to receive your regular salary for the first week of your disability. Thereafter, if you are totally disabled, you may receive a combination of salary and insured *sickness and accident benefits*, followed by *extended disability benefits*. Social Security disability insurance benefits also may become payable.

If you become totally and permanently disabled, monthly benefits also may be payable to you from *basic life insurance*, the *Retirement Program*, and *Personal Accident Insurance*. In addition, you may receive a distribution of your account under the *Savings-Stock Purchase Program*.

If you lose a bodily member or your eyesight through an accident, additional benefits may become payable under your *extra accident insurance* and under *Personal Accident Insurance*.

GM pays the full cost of your GM disability insurance (except Personal Accident) while you are at work.

Sickness and Accident Benefits

(for employees in classified salaried positions in accordance with General Motors policy)

You Are Covered . . .

for sickness and accident benefit insurance on the first day of the second month following the month in which you commence working with GM. If you are not at work on the date your insurance would otherwise start, such insurance starts on the day you return to work.

To Receive Sickness And Accident Benefits . . . you must be totally disabled because of sickness or injury and be under the care of a doctor.

You also must give written notice to GM of any injury or sickness within 20 days after the accident causing your injury or the onset of sickness.

At any time you may be eligible to receive sickness and accident benefits, you may be

asked to be examined by a doctor selected by the insurance company. Failure to have the examination may affect your eligibility for benefits.

Monthly Benefit Amounts . . .

are equal to 75% of your monthly base salary. Benefits are payable on your regular payday. These benefits are supplemented by salary continuation as shown on the table on page 16.

Duration of Benefits . . .

is based on your GM length of service (or "years of participation", if greater . . . see page 36). Benefits begin after a 7-day waiting period (during which your salary may be continued).

For each month of service you may receive

one monthly benefit, up to a total of 12 monthly benefits (but no more than 1½ monthly benefits for a condition related to pregnancy).

If your GM service is less than 12 months, benefits nevertheless may continue for up to 12 months while you are hospitalized or while you are receiving uncontested Workmen's Compensation payments from GM.

If You Return to Work ...

after receiving sickness and accident benefits for less than the maximum period and are absent again for the same reason or some disability related to it within the next three months, your monthly benefits pick up where they left off and will continue for the rest of the maximum period, provided you remain unable to work that long. Another waiting period does not apply to the second absence.

Sickness and Accident Benefits Are Reduced By ...

Workmen's Compensation benefits for time lost from work because of an on-the-job disability

and Unemployment Compensation benefits for which you may be eligible during the same period of disability.

Employees in Unclassified Salaried Positions ...

who become totally disabled may have all or part of their salary continued while disabled. This salary continuation is on a basis consistent with the provisions for employees eligible for sickness and accident insurance benefits.

In Certain States ...

employees in either classified or unclassified salaried positions may be eligible under a statutory disability benefits law for disability benefits for time lost from work. If you are an employee working in California, Hawaii, New Jersey, New York, Puerto Rico, or Rhode Island, certain modifications in your sickness and accident benefits or salary continuation payments during disability are explained in a special enclosed insert.

Extended Disability Benefits

(for both classified and unclassified employees)

If you are still disabled after you receive sickness and accident benefits or salary continuation payments for the maximum period, you may be eligible to receive monthly extended disability benefits.

You Are Covered ...

for extended disability benefit insurance on the first day of the second month following the month in which you commence working with GM.

To receive payments you must be totally disabled so as to be unable to engage in any regular employment with General Motors at the location where you last worked, and must not be working elsewhere.

Extended disability benefits are not payable for disability resulting from pregnancy.

Monthly Benefit Amounts ...

are equal to 60% of your monthly base salary.

Duration of Benefits ...

is based on your GM "years of participation" (see page 36).

* ***If you have 10 or more years of participation when you become disabled ...***

benefits are payable until recovery, but not beyond age 65.

* ***If you have less than 10 years of participation when you become disabled ...***

benefits are payable until recovery—or if less, for a period equal to your years of participation at the commencement of disability (less the period during which sickness and accident benefits or salary continuation payments are received) but not beyond age 65.

Extended Disability Benefits (Cont.)

Extended Disability Benefits Are Reduced By...

any Part A and Part B supplementary benefits (see page 26) for which you may be eligible under the provisions of the Retirement Program.

Benefits also are reduced by governmental benefits such as Social Security disability insurance benefits or unreduced old-age insurance benefits, and any federal or state or Workmen's Compensation lost-time disability

benefits for which you may be eligible.

Any increases in your Retirement Program benefits or governmental benefits, for which you become eligible after extended disability benefits commence, will not be deducted.

A Special Monthly Extended Disability Benefit...

equal to **\$6.30** may be payable to disabled employees who are enrolled for "Part B" of Medicare under Social Security.

ILLUSTRATION OF SALARY CONTINUATION, SICKNESS AND ACCIDENT BENEFITS (S&A) AND EXTENDED DISABILITY BENEFITS (EDB)

| Types of Disability Payments for Periods Shown Below | | | | |
|---|------------------------|---|---------------------------------|--|
| LENGTH OF SERVICE | FULL base salary | S&A and salary combined equal to full base salary | Maximum S&A benefits payable | EDB payable up to a maximum of |
| LESS THAN 1 YEAR | 1st week | — | Up to 12 months | None |
| 1 YEAR TO 5 YEARS | 1st week | Next 7 weeks | 12 months | A period equal to years of participation (if under 10) less the period S&A and/or salary continuation paid but not beyond age 65 |
| 5 YEARS TO 10 YEARS | 1st week | next 12 weeks | 12 months | Age 65 |
| 10 OR MORE YEARS | 1st week | next 12 weeks | 12 months | Age 65 (if years of participation are 10 or more) |

*Salary continuation payments beyond those shown above may be made to certain long-service employees with the prior approval of the General Manager or Central Office Staff Head.

DETAILED PROVISIONS...

governing disability leaves of absence are contained in the salaried employee handbook "Working With General Motors". Your supervisor or salaried personnel representative can help you find answers to any questions you may have in your particular situation.

Total and Permanent Disability Benefits

If You Become Totally and Permanently Disabled You May Be Eligible for the Following:

- ***Instalment Payout of Basic Life Insurance for Employees With Less Than 10 Years of Participation***

If under age 60, with less than 10 years of participation, you may be eligible to receive your basic life insurance (see page 19) in monthly instalments.

Monthly instalments, equal to the final monthly extended disability benefit amount payable, may commence after you have received your final monthly extended disability benefit.

Monthly payments will continue until the total amount paid equals the amount of your basic life insurance.

Your designated beneficiary will be paid the remaining unpaid amount if you should

die before you receive the total amount of your basic life insurance.

- ***Retirement Program Benefits for Employees With 10 or More Years of Credited Service***

If under age 65, with 10 or more years of credited service, you may be eligible for unreduced monthly benefits under the GM Retirement Program for the rest of your life (see page 26).

- ***Distribution of Savings-Stock Purchase Program Account for All Participating Employees***

Regardless of your age or the amount of your GM service, you may receive a lump-sum distribution of your account, including full earn-out of GM's contributions.

Social Security Disability Insurance Benefits

If You Become Disabled...

before age 65, you may be eligible for disability insurance benefits from Social Security. Benefits may be payable to you and eligible dependents

as early as the sixth month after you are disabled. Contact your nearest Social Security office for further information.

EXAMPLE OF GM DISABILITY INCOME BENEFITS

An employee age 37 earning \$1,250 per month with 11 years of service who becomes totally and permanently disabled would receive:

- Salary continuation and sickness and accident benefits equal to \$1,250 per month for the first 13 weeks.
- Monthly sickness and accident benefits of \$938 (75% of salary) for the next 9 months, followed by:
- Monthly extended disability benefits of \$750 (60% of salary) until age 65. This amount would include disability benefits from other sources such as Part A and Part B supplementary retirement benefits and Social Security disability insurance benefits.
- Monthly total and permanent disability benefits payable for life under the Retirement Program.
- Entire account balance under the Savings-Stock Purchase Program.

ADDITIONAL INSURANCE BENEFITS—FOR ACCIDENTAL INJURY

Your Extra Accident Insurance . . .

equal to one-half of your basic life insurance (as described on page 19) provides lump sum payments for bodily loss, by severance of a hand at or above the wrist joint or a foot at or above the ankle joint, or the permanent loss of the sight of an eye, by accidental means. For any one of these losses you will receive one-half of your extra accident insurance. Your full extra accident insurance will be paid to you if you should suffer two or more such losses. Extra accident insurance benefits are payable whether you are injured on or off the job.

If the Loss Occurs While You Are On Company Business . . .

an additional benefit will be paid equal to the amount of your extra accident insurance that is payable.

Personal Accident Insurance . . .

also provides lump sum payments for loss of bodily members or eyesight as the result of an accident. Detailed information and enrollment cards are contained in the booklet, "Personal Accident Insurance".

OTHER BENEFIT PROGRAM COVERAGES WHILE ON DISABILITY LEAVE

- ***Savings-Stock Purchase Program:*** You may continue regular monthly savings for up to one year of approved disability leave.

GM's contributions continue to earn out while on leave.

- ***Hospital-Medical Coverages:*** Your basic coverages will continue to be provided at Corporation expense while you are on leave and totally and continuously disabled. If you had less than 6 months of service when your leave commenced, you must share the cost. Your dental coverage may be continued by paying the full monthly subscription or contribution charge.

You may continue your major medical coverages by paying the usual monthly employee contribution for as long as your basic coverages remain in effect.

- ***Group Insurance:*** Basic life, extra accident, survivor income benefit, sickness and accident, and extended disability benefit insurance may be continued for any period during which you are entitled to receive sickness and accident benefits or salary continuation payments while totally disabled.

Thereafter, such insurance may be con-

tinued while you are totally and continuously disabled and remain on an approved disability leave of absence (or a special leave for pregnancy), but not to exceed the period equal to your years of participation (see page 36) as of the first day of disability. Also, such insurance may be continued while you are entitled to receive monthly extended disability benefits subsequent to cancellation of your disability leave because the period of such leave equaled your length of service.

GM will pay the full cost of your insurance during such continuance, except for Optional and Dependent Life Insurance which requires your payment of the usual contributions.

- ***Personal Accident Insurance:*** You may continue your coverage for up to 24 months provided you pay the usual premium.

- ***Retirement Program:*** You may continue regular monthly contributions to Part B for up to one year of approved disability leave.

You may continue to accrue credited service for up to 11 months while on such leave.

INSURANCE CERTIFICATES . . .

containing all the detailed provisions of the insurance benefit coverages you have under the group policies issued to General Motors Corporation by its insurance carriers will be distributed to you.

5 Survivor Benefits

In the Event of Your Death

Your survivor may become eligible for benefits under both the GM Insurance Program and the GM Retirement Program.

GM INSURANCE PROGRAM SURVIVOR BENEFITS

You Are Eligible . . .

for *basic life*, *extra accident*, and *survivor income benefit insurance* on the first day of the month following the month in which you commence working with General Motors.

If you are not at work on the date your insurance coverages would otherwise start, such coverages start the day you return to work.

General Motors pays the full cost of this insurance while you are at work.

You may increase the amount of your survivor benefits by enrolling for *Optional Life Insurance* or *Personal Accident Insurance*, or both. You also may enroll for *Dependent Life Insurance*. You pay the cost of these additional coverages.

Your Basic Life Insurance Prior to Age 65 . . .

is equal to 24 times your monthly base salary.*

You have the right to designate your beneficiary or beneficiaries and to change your beneficiary designation at any time.

Basic life insurance benefits are payable to

your designated beneficiary if you should die from any cause while covered for life insurance.

Benefits can be paid in a lump sum to your beneficiary or, at the time of claim, your beneficiary can make arrangements with the insurance company to have the money paid under any of the available settlement options.

*Base salary, for this purpose, includes premium for 7-day operations but does not include overtime, night shift premium or any cost-of-living allowance.

Your Continuing Life Insurance After Age 65 . . .

** If you have 10 or more "years of participation" (see page 36) at age 65:*

your life insurance in force at age 65 will be reduced by 2% each month. This monthly reduction will stop when your life insurance equals 1½% of the amount in force at age 65 multiplied by your years of participation. This reduced amount will then remain in force for the rest of your life.

For example, an employee with 30 years of participation at age 65 with \$36,000 of basic life insurance in force will have an ultimate amount of \$16,200 of continuing life insur-

ance, computed as follows: $1\frac{1}{2}\% \times \$36,000 \times 30 \text{ years} = \$16,200$

** If you have less than 10 "years of participation" at age 65:*

and continue active work, your basic life and any extra accident insurance will be reduced each month by 2% of the amount you had in force at age 65. All of your insurance will be discontinued at the end of the month in which you cease active work, unless you have a further continuance privilege during leave of absence or disability.

It should be noted that years of participation cease to accrue after retirement.

Your Extra Accident Insurance . . .

is provided while you are insured for basic life insurance to age 65 and is equal to one-half of your basic life insurance. See page 19.

If you should die by accidental means while covered for extra accident insurance, your beneficiary will receive this insurance in addition to any other benefits payable in the event of death.

For extra accident insurance to be payable,

your death must occur within one year following the accident and must not be due to disease, self-inflicted injury or any act of war.

If Death Should Occur By Accidental Means While on Company Business . . .

an additional benefit will be paid equal to the amount of your extra accident insurance that is payable.

Your Survivor Income Benefit Insurance . . .

provides monthly payments in addition to your basic life and extra accident insurance. Two kinds of survivor income benefits are provided to eligible survivors of employees:

- **Transition Benefits . . .**

of \$200 per month will be payable to your eligible survivors (spouse or dependent children or parents) for up to 24 months.

However, the transition benefit will be \$125 if the survivor is or becomes eligible for certain Social Security benefits.

- **Bridge Benefits . . .**

of \$200 per month will be payable to your surviving spouse if she (or he) was age 45 but less than 60 on the date of your death and had been married to you for at least 1 year.

The bridge benefit will begin after payment of the 24th transition benefit. Bridge benefits cease if the surviving spouse remarries, attains age 62 or such lower age at which full widow's or widower's benefits or old age benefits become payable under Social Security, or dies.

Bridge benefits are not payable for any month in which a widow is eligible for a mother's benefit under Social Security, whether or not she actually receives the mother's benefit.

A survivor may waive any right to receive survivor income benefits in order to receive a higher survivor benefit under the GM Retirement Program and may terminate the waiver at any time. The waiver or termination will become effective the first day of the second month following receipt by General Motors of appropriate notice from the survivor.

OPTIONAL LIFE INSURANCE AND DEPENDENT LIFE INSURANCE

In addition to the coverages provided at no cost to you, the following increased benefit protection is available under the Insurance Program:

You May Enroll for Optional Life Insurance...
in amounts of \$5,000, \$10,000 or \$15,000 or 1, 2, 3, 4 or 5 times your annual base salary.*

This insurance is in addition to your basic life insurance and is available, while basic life insurance is in force, to regular full-time employees with 6 or more months of service.

You have the right to designate your beneficiary or beneficiaries. The beneficiary need not be the same as the one designated for your basic life insurance.

You May Also Enroll for Dependent Life Insurance...

which will provide \$5,000 of life insurance on your spouse and \$1,000 of life insurance on each of your eligible dependent children.

All regular full-time employees are eligible for this coverage if they are then enrolled for Optional Life Insurance and have an eligible dependent.

You are the beneficiary for Dependent Life Insurance. Benefits are payable to you in a lump sum if an eligible dependent should die from any cause while you are enrolled for Dependent Life Insurance.

*Annual base salary, for this purpose, equals 12 times your monthly base salary and includes premium for 7-day operations but does not include overtime, night shift premium or any cost-of-living allowance.

An eligible dependent includes your spouse, and dependents over 14 days of age who are eligible to be covered for basic hospital, surgical, medical and prescription drug expense coverages (excluding sponsored dependents).

You Contribute...
the full cost of Optional and Dependent Life Insurance. Your insurance office can advise you of the contribution rates for your age group.

When You Attain Age 66...
the amount of Optional Life Insurance in force on your 65th birthday will be reduced commencing at age 66 by 20% and by a like amount each year to age 70. You will be required to contribute for the coverage remaining in force. No Optional Life Insurance will be provided after the end of the month in which you attain age 70.

Dependent Life Insurance may be continued whenever Optional Life Insurance is continued by paying the required contributions.

Additional Information...
concerning Optional and Dependent Life Insurance is available in the enrollment folders which describe these coverages.

PERSONAL ACCIDENT INSURANCE

You May Enroll for Personal Accident Insurance...
for amounts of insurance of \$10,000 to \$250,000. You also may enroll your spouse and any dependent children for this insurance. The maximum dependent coverage available is \$100,000 for your spouse and \$30,000 for each child.

You contribute the full cost of Personal Accident Insurance. Your insurance office can advise you of the premium rates.

Benefits are payable to your designated beneficiary if you die by accidental means provided your death was not the result of self-inflicted injury, experimental or test flight in an aircraft, or any act of war.

Detailed Information...
concerning Personal Accident Insurance and enrollment cards are contained in the booklet, "Personal Accident Insurance".

GM RETIREMENT PROGRAM SURVIVOR BENEFITS

In addition to benefits under the GM Insurance Program, your survivors may receive GM Retirement Program benefits under Part A and/or Part B (see page 24).

If You Die Before Retirement . . .

- **Part A Automatic Benefit for Your Surviving Spouse:**

If you die after attaining eligibility to retire voluntarily, a lifetime monthly Part A benefit may be payable automatically to your surviving spouse.

Your spouse's monthly benefit would be based on 55% of the Part A basic benefit you would have received had you retired voluntarily.

- **Part B Optional Benefit for Your Surviving Spouse:**

You may elect this option when you become eligible to participate in Part B of the Program, provided you are then married. If you marry thereafter, you may elect this option to become effective after one year of marriage.

If you die with this option in effect, your surviving spouse is assured of receiving a monthly income based on 50% of your unreduced Part B primary and supplementary benefits.

If You Die After Retirement . . .

- **Part A and Part B Surviving Spouse Benefits:**

You may elect to receive reduced monthly Part A basic or Part B benefits, or both, so that your eligible surviving spouse will receive a portion of your lifetime monthly benefits after your death.

Your spouse's benefit would be based on 55% of the Part A basic and/or Part B benefits payable to you.

If you outlive your spouse, you may revoke the Part A survivor option. If you are divorced, you may revoke both Part A and Part B survivor options. If you revoke the option, your future benefits will be restored, upon application, to the amount

For Example . . .

suppose you have this Part B survivor option in effect for your spouse and you die in January 1975 at age 50. You and your spouse were the same age, your last monthly base salary was \$1,250, and you have 25 years of credited service. This is before you are eligible to retire voluntarily. Your spouse would receive 50% of your Part B benefits, or an estimated \$78 a month in this case, for life.

However, if you are eligible to retire voluntarily on the date of your death and have this option in effect, your surviving spouse will receive the monthly benefits described below—"If You Die After Retirement"—if such benefits total a greater amount than under this 50% formula.

This option generally remains in effect until you are eligible to elect the survivor option for death after retirement, or your employment terminates.

If you do not elect the Part B optional survivor benefit and die prior to retirement, your designated beneficiary will receive all of your Part B contributions plus interest.

payable without the option. Consent of GM and/or the Metropolitan Life Insurance Company is necessary for any revocation while your spouse is alive.

- **Part A Basic and Part B Joint and Survivor Benefits:**

As an alternative to the surviving spouse option, you may elect the joint and survivor option. Under this option all or any part of your reduced monthly Part A basic and Part B benefits may be continued to any beneficiary you designate.

Generally, a survivor option becomes effective on the date you retire. If you retire because of total and permanent disability prior to age 55 with less than 30 years of credited service, the option becomes effective at age 55.

ADDITIONAL INFORMATION ON RETIREMENT PROGRAM SURVIVOR BENEFITS

- ***Surviving Spouse Benefit Amounts Are Adjusted . . .***

for age differences between you and your spouse which exceed 5 years. This can result in either an increased or decreased amount in the 55% or 50% benefit formula mentioned above.

- ***If Your Spouse Is Receiving a Survivor Income Benefit . . .***

under the GM Insurance Program, the

Retirement Program Part A surviving spouse benefit will not be payable while the Insurance Program benefit is being paid.

- ***Special Benefit***

When your surviving spouse attains age 65 and is receiving a Part A benefit, a special benefit of \$6.30 a month becomes payable. This benefit can become payable prior to age 65 if your spouse is receiving a Part A benefit and is enrolled for "Part B" of Medicare under Social Security.

HOSPITAL AND MEDICAL BENEFITS FOR SURVIVING SPOUSE

If You Die While Employed But Before You Are Eligible to Retire Voluntarily . . .

your surviving spouse is eligible, while receiving survivor income insurance benefits, for the same basic hospital, surgical, medical and prescription drug expense coverages as were available to you. These coverages may be continued for self and any eligible dependent children. The cost of such continued coverages must be paid for by your surviving spouse.

If you were not eligible to retire voluntarily at the time of your death but you had elected the Part B optional survivor benefit and had at least 10 years of credited service under the Retirement Program, your spouse would be eligible for continued hospital, surgical, medical and prescription drug expense coverages. These coverages may be continued for self and any eligible dependent children. GM would continue to pay for basic coverages and for most of the cost of major medical coverages. However, coverages would cease if your surviving spouse remarries or dies.

If You Die After Retirement, or After You Are Eligible to Retire Voluntarily . . .

your surviving spouse would be eligible for continued hospital, surgical, medical and prescription drug expense coverages. These coverages may be continued for self and any eligible dependent children.

GM would continue to pay for basic coverages and for most of the cost of major medical coverages, except if you were between ages 55 and 60 and your combined years of age and credited service totaled less than 85 . . .

• when you retired voluntarily, or

• when you died prior to retirement and did not have the optional Part B survivor option in effect.

In either of these cases your surviving spouse would be required to pay the full cost of these coverages.

SAVINGS-STOCK PURCHASE PROGRAM BENEFITS FOR SURVIVING SPOUSE

If you die while employed, with your spouse as your beneficiary under this Program, he or she would receive your entire account balance, including all of GM's contributions.

In lieu of a lump-sum settlement, your surviving spouse could convert all or part of the eligible assets to a lifetime annuity, provided your spouse was the beneficiary of at least \$5,000 of assets eligible for such conversion.

INSURANCE CERTIFICATES . . .
or their equivalent, containing all the detailed survivor benefit provisions you have under the various GM benefit programs covered in this section, will be distributed to you.

6

Retirement Benefits

Under the GM Retirement Program for Salaried Employes

Your GM Retirement Program is made up of two parts.

Part A is non-contributory. General Motors pays the entire cost. It provides monthly benefits for all employees with 10 or more years of credited service who retire under the Program, or who leave General Motors. Part A consists of:

- Basic benefits,
- Temporary benefits,
- Special benefits, and
- Supplements.

Part B is contributory. You and General Motors share the cost. It provides you with an opportunity to build up substantial additional monthly benefits, consisting of:

- Primary benefits, which are based on the amount you contribute, and
- Supplementary benefits, which are based on your final 5-year average monthly base salary and your years of credited service.

To get full Part B benefits you must contribute at all times while eligible and leave your contributions in the Program until retirement.

You Are Eligible To Participate . . .
in Part A automatically when you become a General Motors salaried employee.

You are eligible to contribute under Part B when you have:

- Attained age 30, and
- Have 6 months of continuous service.

Your Part B contribution is 3% of monthly base salary in excess of \$500. Once you elect to participate in Part B your contribution is deducted from your salary each month.

Your Credited Service . . .

is the total period of employment used in determining your Part A benefits and any Part B supplementary benefit.

Credited service includes all periods of employment and temporary absence for which you are paid. In addition, certain other periods

You Are Eligible To Retire . . .
under normal retirement provisions when you attain age 65. Retirement at that age is automatic if you were eligible to contribute under Part B of the Program.

If you have 10 or more years of credited service, you may retire:

- As early as age 55.
- At any age in case of total and permanent disability.
- Prior to age 55 if you have 30 or more years of credited service.

of absence may be credited, such as all or part of an approved military or disability leave, or layoff.

If you leave GM and your credited service is broken, you may apply to have it all reinstated if you are re-employed by General Motors.

Retirement At Age 65

If you retire at the normal retirement age of 65 you may receive the following benefits . . .

Part A Basic Benefit:

Your monthly Part A basic benefit is determined by your basic benefit rate times your years of credited service.

Your basic benefit rate depends on your benefit class code (which is based on the maximum monthly base salary rate for your salaried position) and your retirement date, as follows:

| Benefit Class Code | Retirement Date and Monthly Part A Basic Benefit Rate Per Year of Credited Service | | |
|--------------------|--|------------------------|-------------------|
| | 10-1-74 through 9-1-78 | 10-1-78 through 9-1-78 | 10-1-78 and after |
| A | \$ 9.00 | \$ 10.75 | \$ 10.75 |
| B | 9.25 | 10.00 | 11.00 |
| C | 9.50 | 10.25 | 11.25 |
| D | 10.00 | 10.50 | 11.50 |

Most employees have the "D" benefit class code. For example, if you retire on October 1, 1974 at age 65 with a \$10.00 rate and have 30

years of credited service, your monthly Part A basic benefit would be **\$300.00**.

If you retire prior to October 1, 1978 your monthly Part A basic benefit rate will be increased periodically after your retirement.

The date and amount of these increases are shown in the following table:

| Retirement Date | Date and Amount of Increase in Monthly Part A Basic Benefit Rate Per Year of Credited Service | | | |
|------------------------|---|---------|---------|---------|
| | 10-1-76 | 10-1-76 | 10-1-77 | 10-1-78 |
| 3-1-74 through 9-1-74 | \$ 0.50 | \$ 0.25 | \$ 0.25 | \$ 0.50 |
| 10-1-74 through 9-1-76 | — | 0.25 | 0.25 | 0.50 |
| 10-1-76 through 9-1-78 | — | — | — | 0.75 |

Part A Supplements:

Commencing October 1, 1975 you also could receive a monthly Part A "lifetime" or "age-service" supplement, but it would be reduced by any Part B supplementary benefit payable to you. Page 28 shows the schedule of Part A lifetime supplements.

Part A Special Benefit:

You also will receive a Part A special benefit of \$6.30 a month.

Part B Primary Benefit:

Any Part B primary benefits would be based on your contributions in the Program. These monthly benefits would equal 2½% of your con-

tributions made before July 1, 1971 plus 4½% of your contributions thereafter.

For example, if you contributed \$7,000 prior to 7-1-71 and \$2,000 thereafter, your monthly Part B primary benefit at age 65 would be \$258.33.

$$\$7,000 \times 2\frac{1}{2}\% = \$175.00$$

$$\$2,000 \times 4\frac{1}{2}\% = 83.33$$

Monthly Part B
Primary Benefit **\$258.33**

This formula results in a benefit equal to 1½% of the average salary upon which you make contributions, times the number of years you contribute.

Part B Supplementary Benefit:

You also may receive a Part B supplementary benefit. This monthly benefit is equal to 1% of your final 5-year average monthly base salary in excess of the applicable amount shown in the following table, times your years of credited service:

| Retirement Date | Applicable Amount |
|------------------|-------------------|
| 10-1-74/9-1-75 | \$ 1,000.00 |
| 10-1-76/9-1-78 | 1,050.00 |
| 10-1-78 or after | 1,150.00 |

For example, if you retire October 1, 1974 at age 65 with a final 5-year average monthly

base salary of \$1,300 and 30 years of credited service, your monthly Part B supplementary benefit would be \$90.00.

Final 5-Year Average

| | | |
|------------------------|-------|-------------|
| Monthly Base Salary | | \$ 1,300.00 |
| Less Applicable Amount | | 1,000.00 |
| | | \$ 300.00 |

Times Part B Supplementary

| | | |
|--------------|-------|---------|
| Benefit Rate | | x 1% |
| | | \$ 3.00 |

Times Years of Credited Service x 30

Equals Monthly Part B Supplementary Benefit \$ 90.00

Some examples of total monthly retirement benefits, including Social Security, are shown on page 31.

RETIREMENT PRIOR TO AGE 65 WITH UNREDUCED BENEFITS

Your benefits will not be reduced because of early commencement if you retire prior to age 65 under one of the following types of retirement...

- Mutually Satisfactory Retirement—between ages 60 and 65. Retirement must be agreeable to you and the Corporation.
- Special Early Retirement—between ages 55 and 60. Retirement is initiated by GM and must be agreeable to you.
- Corporation Option Retirement—between ages 55 and 65. You may be retired by GM, subject to certain conditions and approval by the applicable Corporation Committee if retirement is before age 60.
- Total and Permanent Disability Retirement—at any age. Retirement can commence after you are disabled at least 6 months.

Part A Benefits:

In any of these cases, your monthly Part A basic benefit will be determined as if you had retired at age 65, but based on your credited service at the time you retire.

In addition, you may receive a monthly Part A temporary benefit, as shown in the following table, times your years of credited service, up to 25:

| Retirement Date | Temporary Benefit Rate |
|------------------|------------------------|
| 6-1-74/9-1-75 | 9.50 |
| 10-1-76/9-1-78 | 10.00 |
| 10-1-78 or after | 11.00 |

The temporary benefit is payable until you become:

- age 62, or
- eligible for Social Security disability insurance benefits, or
- eligible for an unreduced Social Security old age benefit,

whichever occurs first.

If you retire because of total and permanent disability the temporary benefit will be paid only if you submit evidence that you are not eligible for Social Security disability insurance benefits.

Part B Benefits:

If you have contributions in the Program, you will have Part B primary benefits, determined as if you had retired at age 65. Any Part B supplementary benefit will be based on your final 5-

year average monthly base salary and credited service at the time you retire. Your benefits will not be reduced because of commencement prior to age 65.

RETIREMENT PRIOR TO AGE 65 WITH REDUCED BENEFITS

You May Retire Voluntarily With Reduced Benefits...

- » Between ages 55 and 65 if you have 10 or more years of credited service.
- » At any age if you have 30 or more years of credited service.

Part A Benefits:

Your monthly Part A basic benefit will be determined as if you had retired at age 65, but based on your credited service at the time you retire. This benefit will be reduced if you elect to have it commence before age 62. However, if you have 30 or more years of credited service, you will receive this benefit without reduction after you attain age 65.

Part B Benefits:

Any Part B primary and supplementary benefits will be determined just as for other types of

early retirement, but will be reduced if you elect to have them commence prior to age 65.

Important Note

If you retire voluntarily between ages 55 and 60 when your combined years of age and credited service total less than 85, other GM benefit programs as well as your benefits under the Retirement Program will be affected. For example:

- » You will forfeit unearned General Motors contributions under the Savings-Stock Purchase Program,
- » You must pay the full cost of any insurance coverages you may wish to continue, and
- » Your retirement benefits will be further reduced.

SUPPLEMENTS, BASIC BENEFIT INCREASES, AND SPECIAL BENEFIT FOR RETIREMENT PRIOR TO AGE 65

For an explanation of various supplements which may be payable for retirement prior to age 65, refer to page 28.

After retirement you may receive periodic increases in your monthly Part A basic benefit (see page 25).

At age 65, or earlier if you are enrolled for "Part B" of Medicare under Social Security, you will receive a Part A special benefit of \$6.30 a month.

PART A SUPPLEMENTS FOR RETIREMENT WITH 30 OR MORE YEARS OF SERVICE

An "Early Retirement" Supplement...

may be payable to you each month if you retire before age 65 with 30 or more years of credited service. This supplement is an amount which, when added to the sum of all other Part A and any Part B supplementary benefits payable to you, prior to reduction for any survivor option, will raise the total of these benefits to the amount shown in the following table:

| Retirement Date | Total Monthly Benefit Amount | |
|------------------------|------------------------------|------------------|
| | Prior to Age 62 | Age 62 to Age 65 |
| 10-1-74 through 9-1-76 | \$ 6 | \$ 395 |
| 10-1-76 through 9-1-78 | 625 | 400 |
| 10-1-78 or after | 650 | 430 |

A "Lifetime" Supplement...

may be payable to you each month for life after age 65 if you retire at any age with 30 or more years of credited service. The amount of this supplement depends on your retirement date, as follows:

| Retirement Date | Lifetime Monthly Supplement |
|------------------------|-----------------------------|
| 3-1-74 through 9-1-76 | \$ 75 |
| 10-1-76 through 9-1-78 | 90 |
| 10-1-78 or after | 100 |

*First payable on October 1, 1975.

This lifetime monthly supplement is reduced by the amount of any monthly Part B supplementary benefit payable to you prior to reduction for any survivor option.

PART A SUPPLEMENTS FOR RETIREMENT WITH LESS THAN 30 YEARS OF SERVICE

An "Interim" Supplement...

may be payable to you each month until age 62 if you retire voluntarily before age 62 with less than 30 years of credited service. The amount of this supplement is based on your age at retirement, as follows:

| Age at Retirement | Monthly Amount of Interim Supplement Per Year of Credited Service |
|-------------------|---|
| 63 | \$ 0 |
| 64 | 1.50 |
| 65 | 3.00 |
| 66 | 5.10 |
| 67 | 5.90 |
| 68 | 6.70 |
| 69 | 7.50 |
| 70 | 7.50 |

An "Age-Service" Supplement...

may be payable to you each month for life if you retire under any type of retirement after age 62 with less than 30 years of credited service. It is first payable October 1, 1975. For retirements at or after age 65, this supplement amounts to \$2 a month per year of credited service. The \$2 amount is reduced by 1/36th for each month your age at retirement precedes age 65.

Both the interim supplement and age-service supplement are reduced by the amount of any monthly Part B supplementary benefit payable to you prior to reduction for any survivor option.

PART A SUPPLEMENTS—LIMITATIONS

- Supplements are not payable to an employee who retires voluntarily between ages 55 and 60 if the sum of his age and years of credited service is less than 85, or to any employee who is discharged.
- If your total monthly Part A and Part B supplementary benefits, including any supplement payable prior to age 65, would exceed 70% of your final monthly base salary plus cost-of-living allowance, your supplement will be reduced by the amount over 70%.
- If you retire voluntarily and become eligible prior to age 62 for a Social Security disability insurance benefit, your supplement will be reduced until you are age 62. The reduction will equal the temporary benefit rate in effect at the time of your retirement, times your years of credited service, up to 25.
- If, after retirement, you earn more in a calendar year than the amount you can earn without reduction of Social Security benefits (\$2,400 in 1974) any supplement payable prior to age 65 will be reduced \$2 for each \$1 of such excess earnings.

SURVIVOR BENEFITS

In the Event of Your Death...
either before or after you retire, monthly benefits may be provided for the lifetime of your survivor.

Refer to page 22 for an explanation of these important benefits, including the optional surviving spouse benefit you can elect if you contribute under Part B of the Program.

OTHER BENEFIT PROGRAM COVERAGES—AFTER RETIREMENT UNDER THE GM RETIREMENT PROGRAM

- **Savings-Stock Purchase Program:** You may receive a lump sum distribution of your account, including full earn-out of GM's contributions (except for voluntary retirement between ages 55 and 60 when your combined years of age and credited service total less than 85—in which case you will receive GM's contributions to the extent they are earned out).

Deferral of Distribution—If you retire in a year in which you will not attain age 65, you may defer the receipt of your account until the next taxable year.

Lifetime Annuity Option—In lieu of receiving your account in a lump sum at retirement or deferring receipt of your

account, you may elect to convert all or part of your eligible assets to an annuity in order to provide a monthly income after retirement. The conversion would be made through an insurance carrier selected by GM, at favorable group rates.

After Retirement, Your Insurance Coverages Can Be Continued as Follows:

- **Hospital-Medical Coverages:** Your basic coverages will be provided at Corporation expense for your lifetime (except for voluntary retirement between ages 55 and 60 when combined years of age and credited service total less than 85). Dental coverages cannot be continued.

OTHER BENEFIT PROGRAM COVERAGES—AFTER RETIREMENT UNDER THE GM RETIREMENT PROGRAM (Cont.)

If you retire voluntarily between ages 55 and 60 when your combined years of age and credited service total less than 85, you may continue your basic hospital and medical coverages for your lifetime provided you pay the full cost.

You may continue your major medical coverages by paying the required monthly subscription charge.

• **Group Insurance:** Your basic life, extra accident, and survivor income benefit insurance will be continued at GM's expense until age 65 (except for voluntary retirement between ages 55 and 60 when your combined years of age and credited service total less than 85). After age 65, extra accident and survivor income benefit insurance ceases.

If you retire voluntarily between ages 55 and 60 when your combined years of age and credited service total less than 85, you may continue your basic life, extra accident, and survivor income benefit insurance to age 65, provided you pay 50 cents for each \$1,000 of basic life insurance in force.

Refer to page 19 for an explanation of continuing life insurance protection after age 65.

If you have at least 5 years of participation at age 60 and cease active work for any reason, you may continue basic life, extra accident, and survivor income benefit insurance to the end of the month in which you attain age 65. If you are eligible for retirement benefits, GM will pay the full cost of such insurance. If you are not eligible for retirement benefits, you must contribute 50 cents for each \$1,000 of basic life insurance.

Optional and Dependent Life Insurance may be continued to age 70 so long as basic life insurance remains in force provided you pay the required contributions. See page 21 for an explanation of the limitations on this coverage after age 65.

• **Personal Accident Insurance:** You may continue this insurance on yourself and any eligible dependents for your lifetime, by paying the required premiums. However, after you are age 70, insurance in force on each person insured may not exceed \$50,000.

PARTICIPATION CERTIFICATES . . .

are distributed to all employees participating in the contributory part of the GM Retirement Program. Program text language, containing all the detailed provisions of the GM Retirement Program, is available through your supervisor or salaried personnel representative. (See Inside back cover for further information available in compliance with applicable Federal legislation.)

SOCIAL SECURITY BENEFITS...

are in addition to your General Motors retirement benefits. GM and you share the cost of your Social Security protection.

Social Security old age benefits begin at age 65, or between ages 62 and 65 on a permanently reduced basis.

Your spouse may be eligible for a Social Security benefit based on your spouse's own

earnings record. If not, your spouse's monthly Social Security benefit will equal one-half of your unreduced monthly Social Security benefit if your spouse is age 65. Your spouse may receive a permanently reduced benefit as early as age 62.

The following table may help you estimate your monthly Social Security benefits.

| SOCIAL SECURITY OLD AGE BENEFITS ESTIMATED FOR RETIREMENT ON OCTOBER 1, 1975 (If Social Security Commences When You and Your Spouse Are) | | | | | | |
|--|---------|---------|--------|---------|---------|--------|
| If You Retire At Age | Age 65 | | | Age 62 | | |
| | Retired | Spouse* | Total | Retired | Spouse* | Total |
| 65 | \$ 326 | \$ 163 | \$ 489 | | \$ 163 | \$ 489 |
| 62 | \$ 326 | \$ 162 | \$ 489 | \$ 251 | \$ 122 | \$ 383 |
| 60 | \$ 319 | \$ 160 | \$ 479 | \$ 263 | \$ 120 | \$ 375 |
| 55 | \$ 291 | \$ 146 | \$ 437 | \$ 233 | \$ 109 | \$ 342 |

*Assumes spouse is not eligible for higher Social Security benefits based on spouse's own earnings record.

EXAMPLES—RETIREMENT AT AGE 65

Assume you have participated fully in Part B of the Program and retire October 1, 1975 at age

65 with 36 years of credited service.

| YOUR COMBINED MONTHLY GM AND SOCIAL SECURITY BENEFITS ESTIMATED FOR RETIREMENT ON OCTOBER 1, 1975 | | | | | | | |
|--|---|--------|---------|--------------------|------------------------------|--------|-------|
| Assumed Average Monthly Base Salary | | Part B | | | Social Security (Maximum) | | |
| From Age 30 to 65 | Last 5 Years Before Retirement | Part A | Primary | Supple- mentary | Self | Spouse | TOTAL |
| \$ 5 | \$ 5 | \$ 5 | \$ 5 | \$ 5 | \$ 5 | \$ 5 | \$ 5 |
| 500 | 900 | 441 | 159 | — | 326 | 163 | 1,089 |
| 800 | 1,200 | 960 | 253 | 72 | 326 | 163 | 1,193 |
| 1,000 | 1,500 | 1,000 | 347 | 180 | 326 | 163 | 1,482 |
| 1,200 | 1,800 | 1,005 | 441 | 238 | 326 | 163 | 1,564 |

NOTE: Amounts are rounded to the nearest dollar. Part A basic benefit increases after October 1, 1975 would be added to the amounts shown in all cases. You and your spouse are assumed to be the same age, and you are assumed to have maximum Social Security coverage.

7 Layoff Benefits

You May Be Eligible . . .

for semi-monthly payments under the *Layoff Benefit Plan* if you are a regular classified salaried employee with length of service of one or more years and are placed on "layoff-inactive status".

Unclassified employees are covered by the Separation Allowance Plan described on the next page.

The Amount of Layoff Benefits . . .

is based on your monthly pay at time of layoff (base salary plus the cost-of-living allowance applicable to the semi-monthly period of layoff involved). The monthly total of semi-monthly payments will be based on:

- » 75% of your monthly pay for the first 6 months of layoff for which benefits are payable, and
- » 60% of your monthly pay for up to the next 6 months for which benefits are payable.

The following amounts, if any, will be deducted from the amount of your layoff benefits:

- » Any Unemployment Compensation received or to which you are entitled, and any state disability benefits received; plus
- » Any GM pay received or made available; plus
- » 75% of any earnings received from another employer or from self employment; plus
- » Any unemployment payments to which you are entitled under any GM plan or program to which GM has contributed.

Layoff benefits will be payable automatically without any employee application.

For Example . . .

assume you have 2 or more years of salaried service, are married and have 2 dependent children, you live and work in Detroit, Michigan, and you are laid off November 1, 1974 with a monthly base salary of \$1,300 (including the monthly equivalent of cost-of-living allowance):

| Month of November, 1974 | |
|--------------------------------------|------------------|
| Base Salary (including COLA) | \$1,300.00 |
| 75% of base salary (including COLA)* | \$ 975.00 |
| 1st Semi-Monthly Period (1st-15th) | |
| Benefit level (1/2 of \$975) | \$ 487.50 |
| Less: State UC for period | — 182.00 |
| Less: Earnings and other benefits | — 0 |
| GM layoff benefit payable | <u>\$ 305.50</u> |
| 2nd Semi-Monthly Period (16th-30th) | |
| Benefit level (1/2 of \$975) | \$ 487.50 |
| Less: State UC for period | — 210.00 |
| Less: Earnings and other benefits | — 0 |
| GM layoff benefit payable | <u>\$ 277.50</u> |
| Total GM Layoff Benefits Payable | \$ 583.00 |
| Total UC Payable | \$ 392.00 |
| Total layoff Income for November | <u>\$ 975.00</u> |

*Layoff benefit calculation would be based on 60% starting with the 7th month of layoff for which benefits are payable.

The Duration of Layoff Benefits . . .

is based on your salaried length of service when placed on "layoff-inactive" status.

If your length of service is 1 year or more, you may receive layoff benefits for 6 months, plus 1 additional month of benefits for each additional 2 full months of service beyond 1 year—up to a maximum entitlement of 12 months of layoff benefits. Thus, an employe with 2 or more years of service at time of layoff

will be entitled to the maximum of 12 continuous months of layoff benefits.

Regeneration of Benefit Entitlement:

If you return from layoff to work for GM as a regular salaried employe, you will become entitled to an additional month of layoff benefits for each 2 months worked. Thus, you can regenerate eligibility for the maximum 12-month benefit period by working 24 months.

INFORMATION REQUIRED FROM EMPLOYEE

At time of layoff, you will be requested to complete a data statement indicating the address where you want your layoff benefit checks to be mailed and certain information with respect to your Unemployment Compensation benefit status and estimated outside earnings.

As of the end of each month of "layoff-inactive status" (or at other times as deemed necessary) you will be requested to complete a certification statement with respect to the past month, giving information concerning the

amounts of unemployment compensation received, or if denied, for what reason; the amount of any outside earnings received or receivable; the amount of any other benefits or payments for unemployment received or receivable; and an estimate of any earnings to be received for the following month. You should return this certification statement promptly so that any necessary adjustments can be made in the lay-off benefits payable for the next month.

SEPARATION ALLOWANCE PLAN

Unclassified Employees . . .

who have at least 12 months of service, and are placed on layoff may be eligible for layoff allowance payments under the Separation Allowance Plan.

Such payments are based on the employee's "average monthly salary" as defined in the

Plan. The maximum amount of separation allowance ranges from one-half of average monthly salary for employees with 1 to 3 years of service to 12 times average monthly salary for employees with 29 or more years of service.

OTHER BENEFIT PROGRAM COVERAGES WHILE ON LAYOFF

* ***Savings-Stock Purchase Program:*** No additional savings are permitted, although you have the following rights in your various classes:

1. For classes which have not matured:

—During the period you remain on "lay-off-inactive status" you continue to earn out GM's contributions and re-

tain the usual withdrawal privileges.

—Upon separation from inactive status:

If your continuous employment at date of layoff was 5 or more years, you will receive a full distribution of all assets in your account, including GM's contributions.

If continuous employment was less

OTHER BENEFIT PROGRAM COVERAGES WHILE ON LAYOFF (Cont.)

than 5 years, you will receive your savings and related earnings plus those attributable to GM's contributions which have been earned out.

2. For classes which have matured:

- During the period you remain on inactive status you may leave all assets in the Program until your separation from inactive status. You retain the usual withdrawal privileges.
- Upon separation from inactive status, you will receive all your assets in the Program including GM's contribution previously earned out in full.
- **Hospital-Medical Coverages:** Your basic coverages (excluding dental) will continue to be provided at Corporation expense for up to 13 months, and are available for an additional 12 months provided you pay the full monthly subscription or contribution charge. (Exception: If your length of service was less than 6 months, your continuation privileges are more restricted.) Your dental coverages will be continued only to the end of the month following the month in which you last worked. You may continue your major medical coverages by paying the required monthly employee contribution while your basic coverages remain in effect.
- **Group Insurance:** Basic life, extra accident, survivor income benefit, sickness and accident, and extended disability benefit in-

surance will be continued at GM's expense for the first month following the month in which you are laid off. Thereafter, you may continue basic life, extra accident, and survivor income benefit insurance for the next 12 months. If you had one or more years of recognized length of service when your layoff commenced, GM will pay for your insurance for this 12-month period.

Further, while your GM length of service remains unbroken, you may continue basic life, extra accident, and survivor income benefit insurance for up to an additional 12 months of layoff.

You must contribute 50 cents for each \$1,000 of basic life insurance in any month in which GM does not contribute. You must pay the required contributions to continue Optional and Dependent Life Insurance while basic life insurance remains in force.

• **Personal Accident Insurance:** You may continue your coverage for up to 24 months provided you pay the usual premium.

• **Retirement Program:** Although you cannot make additional contributions, you may continue to accrue credited service for up to 11 months while on layoff.

If layoff occurs at or after age 48 and you reach age 55 with 10 or more years of unbroken credited service, you may qualify for special early retirement with unreduced benefits.

PLAN TEXT LANGUAGE . . .

containing a detailed description of the Layoff Benefit Plan is available through your supervisor or salaried personnel representative upon request.

Details of the Separation Allowance Plan for unclassified employees can be found in the salaried employee handbook "Working With General Motors".



Other Information

Your GM "Length of Service" . . .

is your period of employment with an employing unit of the Corporation which is considered unbroken. Your length of service is important to you because it determines the amount of your vacation as well as the extent of your participation in various employe benefit programs.

Length of service is not recognized until you attain the status of a regular employe.

You become a regular employe upon com-

pletion of your probationary period of employment, generally after 6 continuous months of salaried employment. This 6 months is then included in your length of service.

For detailed information on the rules for determining length of service, contact your supervisor or salaried personnel representative or refer to the salaried employe handbook "Working With General Motors".

BENEFITS FOR PART-TIME EMPLOYEES

Part-time salaried employees who are regularly scheduled to work at least half their employing

unit's base work week may participate in all of the GM benefit programs for salaried employees.

TEMPORARY EMPLOYEES

Employees who are employed on a day-to-day basis (for example, to perform short-term emer-

gency work) may not participate in any of the GM benefit programs.

BENEFITS FOR COMMISSION SALES EMPLOYEES

Employees who are compensated in whole or in part on a sales commission basis may participate in the GM Savings-Stock Purchase Program, Retirement Program, Insurance Program

and the Layoff Benefit Plan. The extent of their participation is determined by an "Annual Earnings Base" schedule established by the Corporation.

"YEARS OF PARTICIPATION" UNDER THE INSURANCE PROGRAM

Prior to September 1, 1950 ...

years of participation, in general, equal your recognized length of service at September 1, 1950.

From September 1, 1950 through December 31, 1973 ...

you receive credit prior to age 65 while insured for life insurance, plus any period while on military leave or while you received your life insurance in monthly instalments because of total and permanent disability. If you were not insured for a period in excess of 24 consecutive months and your recognized length of service

was broken, you lose credit for prior years of participation.

If your credited service under the GM Retirement Program exceeds your years of participation, such credited service is used instead of years of participation.

On and after January 1, 1974 ...

only credited service accrued under the GM Retirement Program will be used for Insurance Program purposes. Such service will be added to your years of participation (or credited service, if greater) accrued as of December 31, 1973.

BENEFIT PROGRAM COVERAGES WHILE ON NON-DISABILITY LEAVE

If you are granted a leave of absence for a reason other than disability, you can continue your benefit coverages as described below:

• Savings-Stock Purchase Program:

Although no additional savings are permitted, you continue to earn out GM's contributions.

• Hospital-Medical Coverages:

Your basic coverages may be continued for up to 12 months (or for the duration if on educational leave) provided you pay one-half the monthly subscription or contribution charge. Dental coverages may not be continued.

You may continue your comprehensive coverages by paying the usual monthly employee contribution while your basic coverages remain in effect.

• Group Insurance:

Basic life, extra accident, survivor income benefit, sickness and accident, and extended disability benefit insurance will be continued at GM's expense for the first month of an approved leave of

absence other than for disability.

Thereafter, you may continue basic life, extra accident, and survivor income benefit insurance for the next 11 months (or for the duration if on educational leave) provided you contribute 50 cents for each \$1,000 of basic life insurance.

You must pay the required contributions to continue Optional and Dependent Life Insurance while basic life insurance remains in force.

• Personal Accident Insurance:

You may continue your coverage for up to 24 months provided you pay the usual premium.

• Retirement Program:

Although generally you cannot make monthly contributions and no additional credited service can accrue, you continue to be covered by the provisions of the Program while on leave.

If You Leave GM ...

prior to retirement you will have certain rights and be required to make certain decisions relative to your benefit program coverages, as described on the next page:

- **Savings-Stock Purchase Program:** If employment ends before class maturity and you are in one or more classes which have not matured at the time you leave GM, you will receive at least the amount of your savings plus interest.

Full earning-out of GM's contributions will occur prior to maturity of the class if you are terminated as a layoff-separated employee, or special separation in connection with the sale of a GM-owned activity, provided you have 5 or more years of continuous service at the time of your layoff or special separation.

For all other terminations (except discharge) you will receive GM's contributions to the extent they are earned out.

Regardless of the reason for your termination, you will receive all your Program assets held in Trust for any matured classes, including fully earned-out GM contributions.

- **Insurance Program Conversion Privilege:** During the 31 days following cancellation of your insurance coverages...

1. You may convert at your expense all or part of your group insurance to an individual policy without medical examination (Dependent Life Insurance may be converted only by your dependents). Any type of life insurance policy, except term insurance, then being issued by the Metropolitan Life Insurance Company may be selected. Application may be made at any local office of the Metropolitan Life Insurance Company or at its home office, One Madison Avenue, New York, New York 10010.
2. You may convert at your expense to whatever "direct pay" individual contract for basic hospital and medical expense coverage is then available from the local plan in which you have been

enrolled. Application may be made in accordance with a notice which you will receive at such time from the local plan.

3. Your Personal Accident Insurance may be converted at your expense to an individual policy of personal accident insurance customarily issued by the Continental Casualty Company. Application may be made direct to the Detroit Insurance Agency, 7650 Second Avenue, Detroit, Michigan 48202.

- **Retirement Program:**

Part A Basic and Part B Supplementary Benefits—If you leave General Motors before retirement and have 10 or more years of credited service, you may be eligible at age 65 for deferred Part A basic and Part B supplementary benefits. You may elect to have these benefits start between ages 60 and 65 on a reduced basis. Benefits would commence only after you have submitted an application which would be given to you following your break in credited service.

Part B Primary Benefits—If you leave General Motors before retirement, you may:

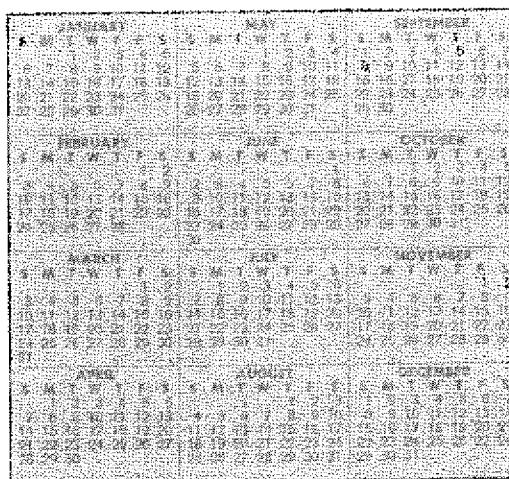
leave your Part B contributions in the Program,

—or—

withdraw your contributions plus interest.

In the former case, if you have contributed for 5 or more years, you may be entitled to unreduced monthly Part B primary benefits at age 65, or as early as age 60 on a reduced basis. If you have contributed for less than 5 years, you will receive benefits based only on your own contributions.

1974



1975

| JANUARY | | | | | MAY | | | | | SEPTEMBER | | | | |
|----------|----|----|----|----|--------|----|----|----|----|-----------|----|----|----|----|
| S | M | T | W | F | S | M | T | W | F | S | M | T | W | F |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | | | | | | | | | |
| FEBRUARY | | | | | JUNE | | | | | OCTOBER | | | | |
| S | M | T | W | F | S | M | T | W | F | S | M | T | W | F |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | | | | | | | | | |
| MARCH | | | | | JULY | | | | | NOVEMBER | | | | |
| S | M | T | W | F | S | M | T | W | F | S | M | T | W | F |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | | | | | | | | | |
| APRIL | | | | | AUGUST | | | | | DECEMBER | | | | |
| S | M | T | W | F | S | M | T | W | F | S | M | T | W | F |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | | | | | | | | | |

1976

| JANUARY | | | | | MAY | | | | | SEPTEMBER | | | | |
|----------|----|----|----|----|--------|----|----|----|----|-----------|----|----|----|----|
| S | M | T | W | F | S | M | T | W | F | S | M | T | W | F |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | | | | | | | | | |
| FEBRUARY | | | | | JUNE | | | | | OCTOBER | | | | |
| S | M | T | W | F | S | M | T | W | F | S | M | T | W | F |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | | | | | | | | | |
| MARCH | | | | | JULY | | | | | NOVEMBER | | | | |
| S | M | T | W | F | S | M | T | W | F | S | M | T | W | F |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | | | | | | | | | |
| APRIL | | | | | AUGUST | | | | | DECEMBER | | | | |
| S | M | T | W | F | S | M | T | W | F | S | M | T | W | F |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | | | | | | | | | |

The Employee Retirement Income Security Act provides that any participant, or beneficiary of a deceased participant, in the GM Savings-Stock Purchase Program or the GM Retirement Program for Salaried Employees is entitled to examine the Program descriptions and the latest Annual Reports related to these Programs. These documents are available for examination by participants or beneficiaries during regular business hours at the address given below.

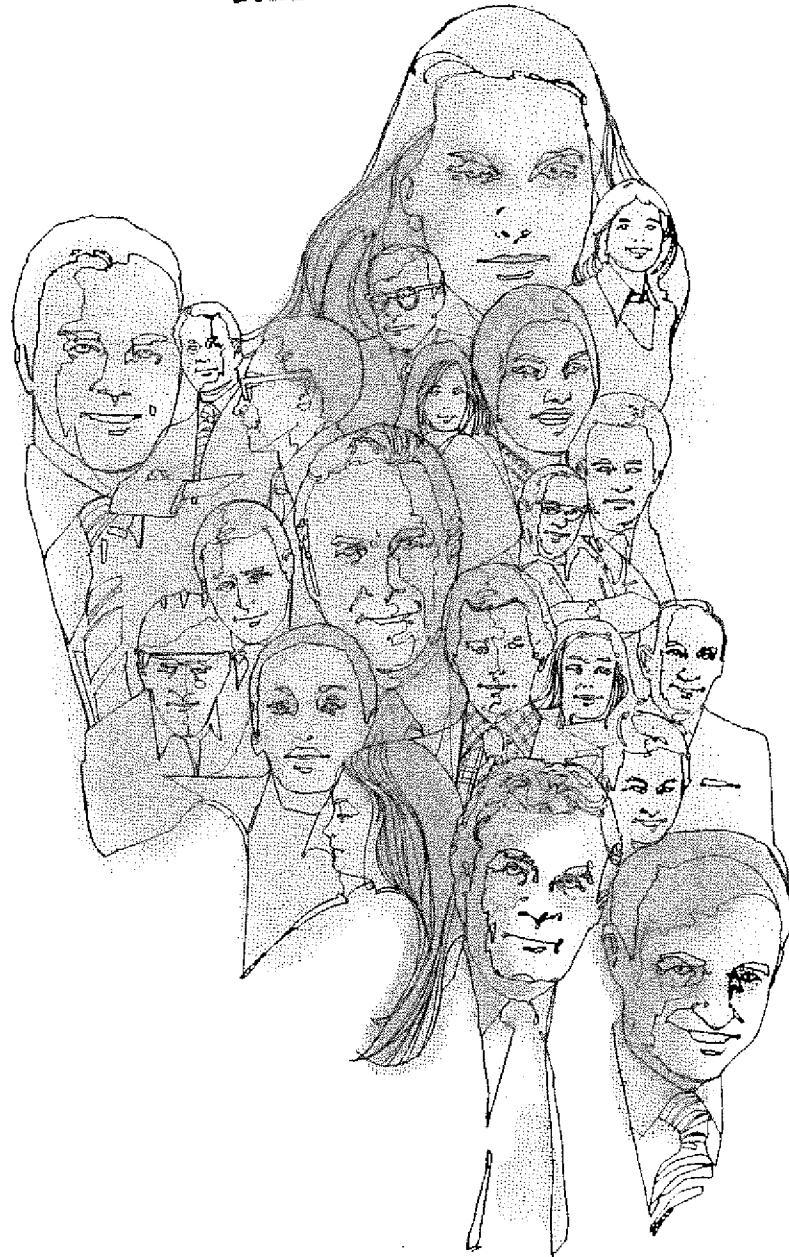
In addition, a copy of either the Program descriptions or a summary of the latest Annual Reports related thereto, or both, will be sent to a participant or beneficiary upon receipt of a written request. Any such written request should be directed to the address given below.

General Motors Corporation
Insurance and Pension Section
Room 7-135 GM Building
3044 W. Grand Boulevard
Detroit, Michigan 48202



Annex K

FILE COPY - DO NOT REMOVE



Working with General Motors



TABLE OF CONTENTS

| | PAGE |
|---|------|
| 1. THE WORK ENVIRONMENT — Quality of Work Life; Working Conditions; Your Health; Your Supervisor; Your Part; Equal Employment Opportunity | 2 |
| 2. OPPORTUNITIES AHEAD — Classification of Salaried Personnel; Your Compensation; Human Resources Management System; Training and Development | 4 |
| 3. THE OPEN DOOR POLICY — Your Channel of Communications to Management | 10 |
| 4. DISCOUNTS ON GM CARS AND OTHER PRODUCTS | 12 |
| 5. SUGGESTION PLAN | 13 |
| 6. PAID LEISURE TIME — Holidays, Vacations and Supplemental Time Off | 14 |
| 7. YOUR GM LENGTH OF SERVICE — Its Importance and What It Includes..... | 19 |
| 8. WHEN YOU NEED AN EXTENDED ABSENCE FROM WORK | 21 |
| 9. LAYOFF AND RECALL — Service and Re-employment Protection .. | 26 |
| 10. WHEN YOUR GM EMPLOYMENT TERMINATES — Separation Classifications; Separation Allowance..... | 29 |
| 11. OTHER INFORMATION — Approvals; GM Substance Abuse Program; Payment of Moving Expenses; Safeguarding Your Estate .. | 33 |

Working with General Motors, a Handbook for GM Salaried Men and Women in the United States

During the course of your career with General Motors, you may have questions about policies and procedures as they apply to you. This handbook is intended to provide answers to many of those questions — and you are urged to keep it as a reference. You should, of course, feel free to direct any unanswered questions to your supervisor or to a representative of your Salaried Personnel Department.

GM SALARIED EMPLOYEE BENEFIT PROGRAMS

Benefit programs for salaried employees are explained in the booklet "Your GM Benefits" which has also been given to you by your Salaried Personnel Department. You should review that booklet to become familiar with the substantial protection available to you and your family through your participation in the various GM benefit programs. Among the many fine programs available to you are:

- The Savings-Stock Purchase Program
- The Insurance Program
- The Retirement Program
- The Layoff Benefit Plan
- The Employee Stock Ownership Program

DEAR FELLOW EMPLOYEE:

Working With General Motors provides you with an overview of important salaried personnel policies and procedures that guide our relationship as we work together in GM. Although this booklet is not designed to replace your supervisor and Personnel Office as sources of answers to specific questions, it should provide you with a ready reference to the major personnel policy areas affecting you as a salaried employee.

These policies have been developed to help you retain your individuality and creativity and at the same time provide a framework within which all of us can effectively work together in achieving Corporation goals.

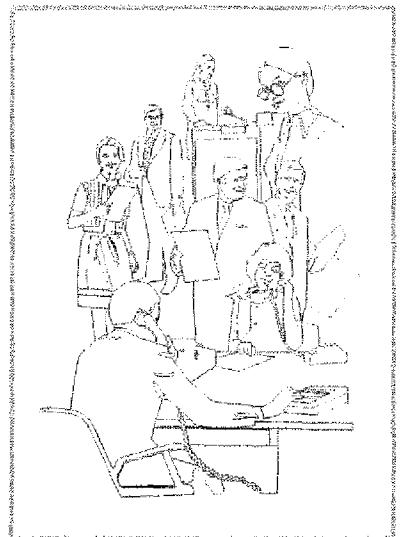
As a salaried employee of General Motors, you enjoy a high level of working conditions and compensation. In fact, the average level of compensation, including an outstanding program of benefits, is among the best in the world.

It is our people, of course, who have made General Motors one of the most successful companies in the world and it is proper that our employees should share in this success. In the same way, a continued high level of total compensation will depend on an equally outstanding level of work performance by all of our employees in the years ahead.

GM's future depends on you — and the future of each of us as employees depends on the success of General Motors. We hope that each of you will find your career with GM one of great challenge, reward and personal gratification.



Stephen H. Fuller
Vice President
Personnel Administration
and Development Staff



I. THE WORK ENVIRONMENT

Quality of Work Life

General Motors is much more than just buildings and equipment. It is people with a variety of skills, working together to build the kind of products that meet today's consumer needs. This concept implies a strong partnership between General Motors and its employees. It means that our company's ability to meet the challenges that face us is closely tied to the work environment of each employee.

A good work environment means a lot more than simply good physical working conditions. It also involves the opportunity for you to participate more fully in making decisions, to develop and grow within GM, and to be rewarded fairly for your contributions. An essential part of a good work environment is good communications with your peers, your supervisor and with those above your supervisor. Sharing timely, accurate and meaningful information with you is important. Equally important is the opportunity for you to express your point of view and your feelings candidly.

It is General Motors' conviction that working with GM should provide the opportunity for you to make full use of your knowledge and abilities. It should provide you with the opportunity to increase your responsibilities and rewards, and you should realize a high level of personal satisfaction from your accomplishments. At the same time, a work environment that provides these ingredients in your best interests is also in the best interests of the Corporation. General Motors is committed to the partnership that is involved in building and sustaining a good work environment. It is a partnership that can contribute to a higher quality of work life for the men and women of General Motors and at the same time help to assure the Corporation's success in the years ahead.

Working Conditions

Safe, pleasant and efficient working conditions are the constant aim of General Motors.

Safety is a vital consideration throughout GM. An active and vigilant safety program carried on for many years has made our plants and offices among the safest in industry. National Safety Council records show that our employees are safer at work than they are in their own homes.

**Health
Facilities**

All major GM locations have well-equipped medical facilities staffed by physicians, nurses, and medical technicians skilled in occupational medicine.

These departments provide medical attention for you at work. They also conduct physical examinations prior to employment and are available for consultation with employees. In addition, the medical staff seeks to prevent disability or illness by means of counseling and early detection and referral of medical problems.

The purpose of these services — available to you as an employee at no cost — is not to replace those of your family doctor, but to provide additional help in maintaining your health.

**Your
Supervisor**

Your supervisor is expected not only to help you develop your capabilities on the job, but to spend time with you on job-related matters.

Each supervisor and manager of salaried employees is responsible and accountable for properly supervising the individuals in his or her area of responsibility. You should feel free to discuss things that concern you about your job with your supervisor at any time.

Your Part

Along with the advantages and opportunities offered by employment in GM go certain responsibilities — obligations that you are expected to meet.

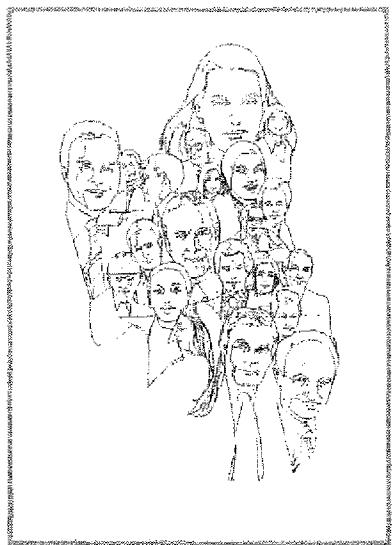
Your most important responsibility is to do the best possible job you are capable of on the work assigned to you. Doing a top quality job goes beyond following instructions. It requires employees to think for themselves — to ask questions and to make constructive suggestions. You will find that your supervisor is interested in your ideas and will appreciate your efforts to do your job well.

Doing a first-rate job also implies certain obligations on your part, such as maintaining good health and mental alertness, using good judgment, being prompt and regular in attendance, cooperating with your fellow workers, and being loyal to GM — its people and its products. It is also important that you have a good understanding of General Motors — its basic goals, problems and positions on key public issues. To your friends and neighbors you are General Motors, and what you say about the Corporation often results in more credibility than top Corporate statements. Also, you should acquaint yourself with important government proposals which affect our business and let your elected representatives know how you feel. At the same time, there are some types of information which you as employees should not divulge to outsiders. Further information may be found in your copy of "Guidelines for Employee Conduct." If you do not have a copy of that booklet, you can obtain one from your Salaried Personnel Department.

**Equal
Employment
Opportunity**

General Motors extends hiring and promotional opportunities to qualified applicants and employees on an equal basis regardless of age, race, color, sex, religion or national origin. GM's policy also is to make reasonable accommodation to the limitations of qualified handicapped persons, including handicapped veterans, and to provide them employment opportunities to the extent practicable.

GM has established affirmative action programs at its plant and office facilities to ensure that positive steps are taken to fully utilize minorities, women, handicapped persons, disabled veterans and veterans of the Vietnam era throughout the salaried work force consistent with their skills, interest and experience. Compliance reviews are scheduled by the federal government at GM locations to monitor progress, and General Motors prepares annual reports for the government in connection with improved utilization of minorities and women.



2. OPPORTUNITIES AHEAD

Your Classification

While you work for GM as a salaried employee, you will be classified in one of the categories described below. Your classification may change from time to time as your responsibilities change.

Probationary Employees

If you are hired for other than temporary employment and have worked less than six months, you are classified as a probationary employee. Your employment during this period is on a day-to-day basis and provides GM an opportunity to determine your suitability for regular employment. This period also gives you a chance to evaluate General Motors in relation to your employment objectives.

Your job performance will be appraised twice during your six-month probationary period. These appraisals will be conducted by your supervisor at the end of your third and fifth months as a GM salaried employee. After your probationary period — and assuming a continued mutual employment interest — you will become a "regular" salaried employee.

Regular Employees

As a regular employee your employment is on a calendar month-to-month basis. If you are a part-time employee who, on a regular and continuing basis, works at least half your employing unit's base workweek, you will also be classified as a regular employee when you have satisfactorily completed your probationary period. Regular employee status entitles you to share in the privileges associated with salaried employment, as described throughout this handbook.

Temporary Employees

If you are hired for work of a purely temporary nature, such as a vacation substitute, or called in at irregular intervals, or hired for short-term emergency work of less than six months duration, you are classified as a temporary employee. Temporary employees are employed on a day-to-day basis and are paid for days or fractional days actually worked.

Employees on Salary-Plus-Commission

If you are employed on a salary-plus-commission basis, you are covered by GM salaried employee policies and procedures the same as other salaried employees. How-

ever, your commission earnings are taken into account in determining the extent of your participation in the various GM employe benefit programs. If you are employed on a straight commission basis (no base salary), you are not covered by GM policies and procedures.

Cooperative Students

Students enrolled in an educational program which combines school study with work in a GM plant or office are classified as cooperative students. As a cooperative student at any recognized college or university, you can accumulate length of service provided you are scheduled to work at least half of your employing unit's base work schedule. Your benefit coverages are available under provisions specifically applicable to cooperative students. Your vacations and holidays are also provided as shown on pages 15 and 16.

Regular Employe - Temporary Assignment

If a regular employe who is on layoff status is called back to fill a short-term job opening that does not exceed 15 weeks, the employe will be classified as a regular employe-temporary assignment during the period of temporary employment.

"Exempt" or "Non-Exempt"

Employes whose duties and responsibilities are of an executive, administrative, or professional character, as described under the Fair Labor Standards Act, may be considered as "exempt" employes in the sense of being exempted from the provisions of that Act. All employes not considered "exempt" are "non-exempt."

All non-exempt employes are covered by the provisions of the Fair Labor Standards Act including the provision for payment of all overtime hours worked. Exempt employes normally perform a certain amount of casual overtime work without pay as part of their job responsibility. Exempt employes also may have any authorized overtime payments calculated on a different basis than non-exempt employes.

Your Compensation

In GM your compensation includes your base salary and, if you are a classified employe, a Cost of Living Allowance. In addition, depending on the nature or responsibility of your job, you may receive salary premiums or incentive compensation. As a regular salaried employe in GM you also have an excellent package of benefit programs.

Your salary is determined by the type of job you have and your individual performance and contribution on that assignment. In addition, your salary progress is influenced by the prosperity of the Corporation and the level of pay for comparable assignments at other leading companies.

Position Classification

General Motors groups or "classifies" most jobs within various levels of responsibility. The higher the level the greater the responsibility. This classification system is designed to establish progressively higher base salary ranges as responsibilities increase.

Your salary range and responsibility level are reviewed whenever substantial changes are made in your responsibility or job content. Your supervisor will be willing to inform you, at any time, of your present level of responsibility, position title, and the salary range for that position.

Beyond the various classified levels are a number of higher management "unclassified" positions which entail greater responsibility and which carry with them eligibility for incentive compensation under the GM Bonus Plan.

Salary Ranges

The salary range for each position classification establishes the minimum salary normally paid to employees with little or no experience and the highest salary that may be paid to employees who are fully experienced in the position responsibilities. Your salary may increase within this range as a result of salary increases as discussed below. If you are promoted, either within a responsibility level or to a higher level, you will be covered by a new and higher salary range.

Salary Increases

You have the opportunity to increase your base salary depending upon the level of your performance on your current job assignment or by earning a promotion to a more responsible assignment. The specific design of salary administration programs varies somewhat among different units within General Motors. For information as to what type of salary administration program is in effect at your own unit, see your supervisor.

When you receive an increase in your base salary, it has a greater impact on your total compensation than you might expect. In addition to providing additional monthly income, it improves the level of your participation in benefit programs such as the amount you are eligible to invest in the Savings-Stock Purchase Program, the amount of your basic life insurance as well as the availability of additional optional life insurance, the amount of both your disability and layoff benefits, and the amount of your future retirement income.

Merit Increases

A merit increase is a salary adjustment based on your individual job performance. Your salary progress within a salary range will depend upon how successfully you meet or surpass the requirements of your job. Employees whose performance is superior and who make the most significant contributions toward the success of the business generally will receive the largest increases.

The total amount of merit increases granted in any year is influenced by the business success of the Corporation. Merit increases are granted from a merit fund which is established by the Corporation and is based upon economic conditions and other relevant factors such as the extent to which (if at all) your location makes use of the Performance Improvement Increase discussed below.

Performance Improvement Increases

Performance Improvement Increases are granted periodically at some units to certain categories of classified employees whose performance is at least satisfactory; the effective date for a PII is the same for all employees receiving it. Employees whose job performance is not satisfactory, employees with less than six months of service, and certain employees at salary rates above their salary range maximum are not granted the increase. For those units utilizing the Performance Improvement Increase, the size of the merit fund is correspondingly smaller than at units administering salaries solely on the basis of merit increases.

Promotional Increases

A promotional increase is a salary adjustment earned by you when you move to a job assignment with greater responsibility and with a correspondingly higher salary range. Such a move is dependent upon openings in positions at higher levels of responsibility.

You may also earn promotional increases as a consequence of your advancement through a progression of similar positions involving related work. These promotions are based upon demonstrated experience and improved competence in performing the assignments of your job which occur over an extended period of time. Your promotion recognizes that an increase in your responsibility may occur through personal development which is not associated with a change in assignment but rather recognizes your growth in personal talents and competence.

Cost of Living Allowance

Cost of Living Allowance is a payment made to you at regular intervals (usually every three months) if you are a classified salaried employee. Cost of Living Allowance is designed to protect your compensation against the impact of inflation. This allowance is established and adjusted based on a combined United States-Canada Consumer Price Index unless other local practices are established. Increases in the Cost of Living Allowance also provide improvement in the Savings-Stock Purchase Program and in certain salary premiums.

You will be advised of each change in the level of Cost of Living Allowance.

Salary Premiums

You may be eligible for salary premiums in addition to your base salary. Your supervisor can advise you if you are eligible for a salary premium for night shift, or a work schedule involving necessary continuous seven-day operations.

Overtime Payments

If you are a non-exempt salaried employee, you will receive overtime payment whenever you are required to work more than eight hours a day or 40 hours a week. If you are an exempt employee in a classified position, you may receive overtime payments, subject to certain limitations, when you are required by management to work overtime.

The GM Bonus Plan

The GM Bonus Plan provides the opportunity for incentive compensation as an addition to base salary, at unclassified levels of responsibility.

The amount available for distribution through the Bonus Plan is related to GM's earnings in accordance with the provisions of the Plan and the determinations of the Board of Directors' Bonus and Salary Committee.

**Human
Resources
Management
System**

The Human Resources Management (HRM) System is a systematic approach to improving the overall effectiveness of the GM salaried work force. It is designed to assure an adequate supply of management talent for the future by accelerating the upward mobility of all GM employees deserving such recognition, including minorities, women, handicapped persons, disabled veterans, and veterans of the Viet Nam era.

This system operates through HRM committees at all GM locations. Each committee is made up of the chief operating executive and certain members of the staff, including the personnel executive. The responsibilities of each HRM Committee include:

- An inventory of current human resources.
- The systematic appraisal of individual employee performance.
- The forecasting of human resource requirements.
- The selection of candidates for employment, promotion and training.
- The acquisition of talent from outside GM.
- Employee development activities.

The Human Resources Management System is designed to help assure that all salaried employees receive equitable treatment in career decisions related to them. The HRM System makes it possible for you to be identified when a need exists to fill an opening requiring job experience, education, performance, qualifications and interests similar to yours. This is accomplished through a standardized Corporate inventory and selection process used when identifying candidates for job openings. While designed to help assure fair treatment, the HRM System does not mean everyone will be promoted. Whether you are considered and perhaps selected depends on your performance, your skills on the job, your education and openings that may exist.

Two parts of the HRM System are likely to be of considerable interest to you and are described below.

Performance Appraisal

Your performance will be appraised at least once each year. Prior to preparing your appraisal, your supervisor will give you the opportunity to complete an appraisal worksheet. You are encouraged, but not required, to take advantage of this opportunity since it allows you to provide your supervisor with your thoughts in advance of your appraisal interview. Also, your supervisor will review your performance appraisal with his or her supervisor, prior to discussing it with you. During the appraisal interview, all sections of the appraisal form and your appraisal worksheet will be discussed with you. You will be asked to enter your written comments and sign the appraisal form indicating that your appraisal interview has taken place. In the event you disagree with your appraisal, you may utilize the GM Open Door Policy, described on pages 10 and 11.

Career Development

GM is vitally interested in your career development. As a result, the Corporation has special programs and services available to help you with four basic career development questions: "What are the career possibilities in GM?", "What are my career goals?", "How do I make my goals known to management?" and "How can I develop myself to achieve my goals?" A special publication entitled the "Career Development Guide" explains how you, as a GM employee, can get better answers to these questions. If you have not already received your copy of the Guide, you can get one from your Salaried Personnel Department.

In summary, HRM helps to insure that you and other GM salaried employees are hired, placed, appraised, utilized and promoted on as fair and objective a basis as possible. To do this, the System involves you, your supervisor, and other managers working to insure fairness and objectivity in decisions which affect your work and career.

Training and Development GM provides training and development through a work environment that encourages the sound and steady development of each individual. Included are such elements as:

- On-the-job guidance and training.
- Training programs conducted within offices and plants, or at General Motors Institute or GM Training Centers.
- The GM Tuition Refund Plan which provides you with financial aid if you wish to continue your formal education.

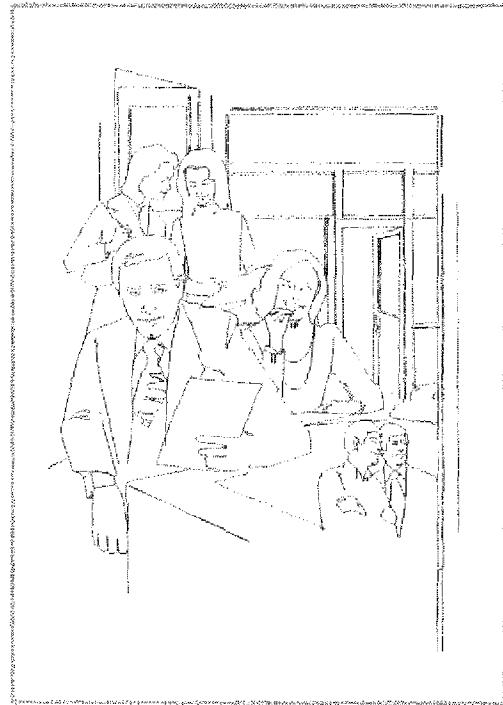
This Plan reimburses you for tuition and fees of up to \$900 (or for up to 12 semester hours, if the cost exceeds \$900) per year for courses taken in a regionally accredited college or university, and up to \$450 per year for courses taken in other approved institutions. Generally, courses must be related to your work and be expected to contribute to your general development within GM.

In exceptional cases, amounts in excess of the \$900 (or cost of 12 semester hours) may be approved if you are enrolled in a degree program at a regionally accredited college or university.

— The GM Graduate Fellowship Plan is available if you wish to continue your studies at the graduate level in the areas of engineering, science, or management while on an educational leave of absence from GM. The Plan provides expenses while you pursue a graduate program on a full-time basis. If interested, you should make application for a fellowship at your employing unit.

To qualify, you must be accepted by a recognized graduate school and be approved for participation in the Plan by a special selection committee. Selection and sponsorship by GM will be based upon your past academic background, job performance, your intentions to return to a career in GM, and the relationship of your proposed field of study to your future in GM.

Your supervisor can give you further information about training and development opportunities in GM.



3. THE OPEN DOOR POLICY

General Motors salaried employees share with the Corporation a vital interest in good employer-employee relationships. A fair and open place to work is essential to the realization of individual job goals — such things as job satisfaction, recognition as an individual, fair compensation, fair treatment, a pleasant atmosphere in which to work, and an understanding of why things are done as they are.

To assure this work environment, a bond of mutual trust and respect must exist between employees and supervisors. The purpose of the Open Door Policy is to strengthen this bond by providing you as a salaried employee with an open, orderly channel of communication to all levels of management.

Although it focuses on the system for resolving differences — and that is an important objective — the intent of the Open Door Policy is that the "doors" of management are open to salaried employees for any reasonable purpose. For example, if you have questions about GM policies, or if you need guidance concerning training and development or career opportunities, or if you wish to discuss any other matter of concern, you are encouraged to contact your supervisor for discussion of the matter. You should understand, of course, that using the Open Door will not always result in the action you desire. But the Open Door should provide you the opportunity to review your concerns not only with your immediate supervisor but, if necessary, with higher levels of management.

To use the Open Door, you should follow the procedure described below.

Contact Your Immediate Supervisor

As soon as a concern or question arises, discuss it with your immediate supervisor. It is a part of your supervisor's job responsibility to make time for Open Door discussions with you on any questions or concerns related to your GM employment. It is well recognized that open and direct communication between you and your supervisor is the best way to resolve misunderstandings quickly and effectively.

Discuss With Higher Level Supervision

In the event discussions with your supervisor do not resolve your concerns, he or she is advised to encourage and assist you in seeking resolution through higher level supervisors in your department.

Contact the Personnel Department

While you are urged to contact your immediate supervisor first, in those limited situations where the matter is such that you prefer not to discuss it with your supervisor, the Open Door permits you to contact the Personnel Department. In such cases, the Personnel Department generally will work through your immediate supervisors to resolve the matter within your department.

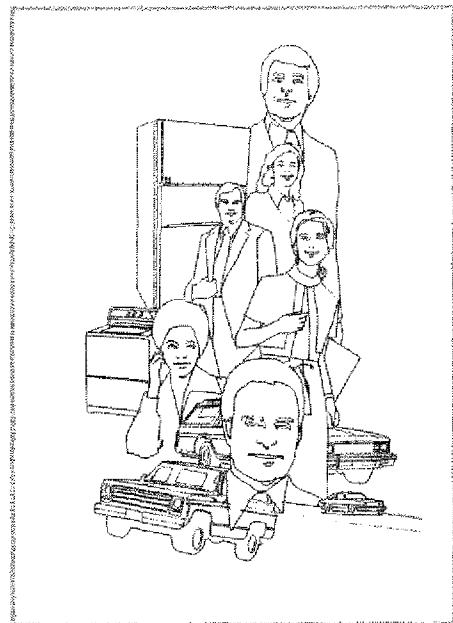
Contact the Head of Employing Unit

If the matter is not resolved within your department, the Personnel Department will assist by bringing it to the head of your employing unit for review. Employees of multi-plant divisions who are not satisfied with the response from the head of their employing unit can have their case further reviewed by outlining their concerns in writing to their divisional Central Office. The divisional Personnel Director or a designated representative will review such cases on behalf of the divisional General Manager, who will respond to the employee through the divisional Personnel Director.

Write to Vice President Personnel Administration and Development

If your questions or concerns have not been resolved to your satisfaction within your division, subsidiary, or Central Office staff, you are free to request a further review through General Motors Central Office in Detroit. A request for further review should be submitted in writing to the Vice President in charge of the Personnel Administration and Development Staff, General Motors Building, Detroit, Michigan, who is designated to make the final determination for the Corporation. The circumstances of your case will be reviewed with you and your employing unit and you will receive a written response.

As part of management's commitment to the spirit of this Policy, supervisors will encourage you to utilize the Open Door. If you use the Open Door, you are assured not only freedom from reprisal, but also active assistance from your supervisors. As such, the policy safeguards you against improper decisions and actions by assuring you an opportunity to express yourself openly.



4. DISCOUNTS ON GM CARS AND OTHER PRODUCTS

Discounts on GM Products

Once you meet the established eligibility requirements, discounts on GM products are available to encourage you to purchase and use GM's excellent line of vehicles and appliances.

New Vehicle Discounts

When you become a regular salaried employee with length of service of six months or more, regardless of your salary rate, you are eligible to purchase a new GM car or light truck at a discount under terms of the Employe Product Discount Plan. You are also eligible to buy GM vehicles driven in company service, if available.

If you buy a new or used GM vehicle through the Corporation, you must comply with certain requirements concerning registration and retention of the vehicle. Also, certain product models may, from time to time, be excluded from the Employe Product Discount Plan.

Frigidaire Appliances

All salaried employees, regardless of salary level or length of service, are eligible to receive a refundable allowance directly from Frigidaire Division on each Frigidaire appliance they purchase through a participating dealer. In addition, Frigidaire allowances can be extended to certain of your family members living in or outside of your household.

For further information on product discounts, including model specifications and product order information, contact your Salaried Personnel Department.



5. SUGGESTION PLAN

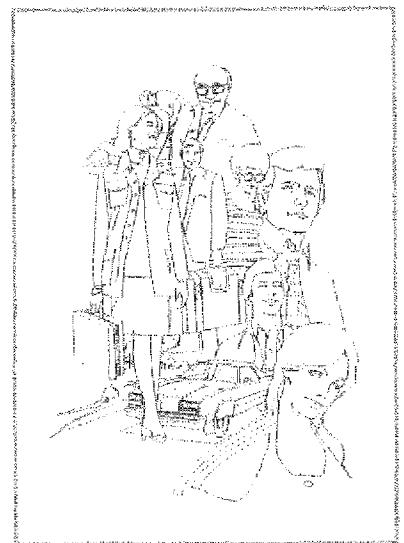
The GM Suggestion Plan

In addition to performing your job responsibilities, you can demonstrate your creativity and make an important contribution to the success of GM by submitting your ideas to improve GM's products and reduce GM's costs. Through the General Motors Suggestion Plan your ideas to improve safety, quality, tooling, forms and procedures or to save material, supplies and the like can be transformed into reality.

Generally speaking, if you are a non-exempt employee (see page 5), you are eligible to receive awards for adopted suggestions unless the nature of your work is such that it is a part of your job responsibilities to develop new ideas. Your suggestions should be submitted on forms especially designed for this purpose and available at each location. The rules governing the GM Suggestion Plan appear on these forms. If you are a supervisory or exempt employee, you are ineligible to participate because an important part of your job responsibilities is to contribute ideas to improve efficiency and safety of GM's operations.

Your greatest opportunity for awards is through suggestions which help to reduce or avoid costs. After suggestions have been evaluated and adopted, awards equal to one-fifth (20%) of the first year's net savings are paid to the suggestor. Awards can range in size from a minimum of \$25 to a maximum of \$10,000. The Suggestion Committee at each plant or division is responsible for determining awards and for making eligibility decisions.

For more information about the GM Suggestion Plan, talk with your supervisor or a representative of the Suggestion Department.



6. PAID LEISURE TIME

Holidays As a salaried employee of GM you are entitled to a day off with pay for recognized holidays which, within GM, vary from year to year. Those holidays applicable to the 1977, 1978 and 1979 Model Years are shown below.

| <i>1977 Model Year</i> | |
|------------------------|--------------------|
| November 25, 1976 | (Thanksgiving) |
| November 26, 1976 | |
| December 24, 1976 | (Christmas Holiday |
| December 27, 1976 | Period) |
| December 28, 1976 | |
| December 29, 1976 | |
| December 30, 1976 | |
| December 31, 1976 | |
| April 8, 1977 | (Good Friday) |
| May 30, 1977 | (Memorial Day) |
| July 4, 1977 | (Independence Day) |
| September 5, 1977 | (Labor Day) |
| <i>1978 Model Year</i> | |
| November 24, 1977 | (Thanksgiving) |
| November 25, 1977 | |
| December 26, 1977 | (Christmas Holiday |
| December 27, 1977 | Period) |
| December 28, 1977 | |
| December 29, 1977 | |
| December 30, 1977 | |
| January 2, 1978 | |
| March 24, 1978 | (Good Friday) |
| May 29, 1978 | (Memorial Day) |
| July 3, 1978 | |
| July 4, 1978 | (Independence Day) |
| September 4, 1978 | (Labor Day) |

| | |
|------------------------|---|
| 1979 Model Year | November 23, 1978 (Thanksgiving) November 24, 1978 December 25, 1978 (Christmas Holiday December 26, 1978 Period) December 27, 1978 December 28, 1978 December 29, 1978 January 1, 1979 April 13, 1979 (Good Friday) May 28, 1979 (Memorial Day) July 4, 1979 (Independence Day) September 3, 1979 (Labor Day) |
|------------------------|---|

The Memorial Day Holiday may be replaced by management with one other such holiday of greater local importance.

If you are an employee of a GM operation connected directly with marketing GM products, your recognized holidays may vary over the years from those applicable to other salaried employees, but will be equal in number.

Additional Day Off

An additional day off is also granted to salaried employees in each of the calendar years 1977, 1978 and 1979. To be eligible for this additional day off you must have been on the active roll December 31 of the previous year. Establishment of the additional day off may be determined on a group basis by management or on an individual basis in the form of an extra day of vacation; or on an individual basis at a time mutually satisfactory to management and you.

Holidays During Vacation

When any of the recognized holidays occur during your vacation period, you will be granted an additional day of vacation.

Saturday and Sunday Holidays

When any of the recognized holidays occur on Saturday or Sunday and your normal base workweek is Monday through Friday, you will be granted a day off during your normal workweek for each such Saturday or Sunday holiday.

Paid Holidays for Cooperative Students

If you are a cooperative student and are regularly scheduled to work at least half your employing unit's regular work schedule, your paid holidays are limited to the Christmas Holiday Period. To be eligible, you must work either the last scheduled work day prior to, or the first scheduled work day following, the Christmas Holiday Period.

Vacation Time

Your vacation is considered essential not only for your own well-being as an individual employee but also for the efficiency of the Corporation. Vacations enable you to rest, relax, travel or achieve a number of other leisure time objectives and, upon your return to GM, to contribute a more effective effort. Accordingly, it is GM's policy to insist that you take the full amount of vacation to which you are entitled each year.

No salary payment will be made in lieu of vacation. In addition, vacation time cannot be carried over to the following year.

To be eligible for vacation with pay in the current calendar year, you must be a regular salaried employee and have been on the active roll on December 31 of the previous year (and not terminating employment on that date) or you must have been employed on a regular basis prior to March 31 of the current calendar year.

The tables below show your vacation eligibility if you are employed in a classified position.

| Vacations for Employees Hired After October 1 of the Previous Year | |
|---|---------------------------|
| Employment Date | Vacation With Pay |
| After March 31 (current year) | None until following year |
| Jan. 1 to March 31 (current year) | 1 week |
| Oct. 2 to Dec. 31 (previous year) | 1-1/2 weeks |

| Vacations for Employees Hired Prior To October 2 of the Previous Year | |
|--|-------------------|
| Length of Service as of October 1 of Current Year | Vacation With Pay |
| 1 year but less than 3 | 2 weeks |
| 3 years but less than 5 | 2-1/2 weeks |
| 5 years but less than 10 | 3 weeks |
| 10 years but less than 15 | 3-1/2 weeks |
| 15 years but less than 20 | 4 weeks |
| 20 or more years | 5 weeks |

Employees in unclassified positions on December 31 of the preceding year will be granted four weeks of vacation unless they qualify for five weeks based on length of service of at least 20 years.

If you are a cooperative student and are regularly scheduled to work at least half your employing unit's regular work schedule, you are eligible for approximately one-half the vacation time off shown in the above tables. Your cooperative education coordinator can advise you of your exact eligibility.

**Supplemental
Time Off**

If you are a regular classified salaried employee with length of service of six months or more as of December 31 of the previous year, you will be eligible for Supplemental Time Off as follows:

| |
|---------------------------------|
| Two Days in Calendar Year 1977 |
| Five Days in Calendar Year 1978 |
| Five Days in Calendar Year 1979 |

If you have less than four weeks vacation entitlement, you may choose between the following:

- (1) Upon management approval, schedule additional days off on a mutually satisfactory basis. With respect to this option, your total time off (combination of regular vacation and Supplemental Time Off) may not exceed four weeks.
- (2) Receive an equivalent amount of compensation.

If your Supplemental Time Off plus vacation exceeds four weeks or if you have vacation entitlement of four or five weeks, you are not eligible to take time off for those days exceeding four weeks, but you will receive an equivalent amount of compensation.

Unclassified employees are not eligible for any time off or related compensation under the Supplemental Time Off concept available to classified employees.

**Other
Considerations**

Transfer From Hourly-Rate Jobs

If you transferred from the hourly roll, your vacation entitlement will be adjusted to take into account vacation pay received as an hourly-rate employee as well as payments received for time off work under the Paid Absence Allowance provision while on the hourly roll. Similarly, your Supplemental Time Off will be adjusted by any Paid Personal Holidays taken while you were an hourly-rate employee.

Return From Layoff or Leave of Absence

If you return to active employment following a layoff or leave or absence, your vacation entitlement will be based, in part, upon your total period of employment in the calendar year in which you return. Your salaried personnel representative will be glad to advise you of your vacation entitlement when you return to work following any layoff or leave of absence.

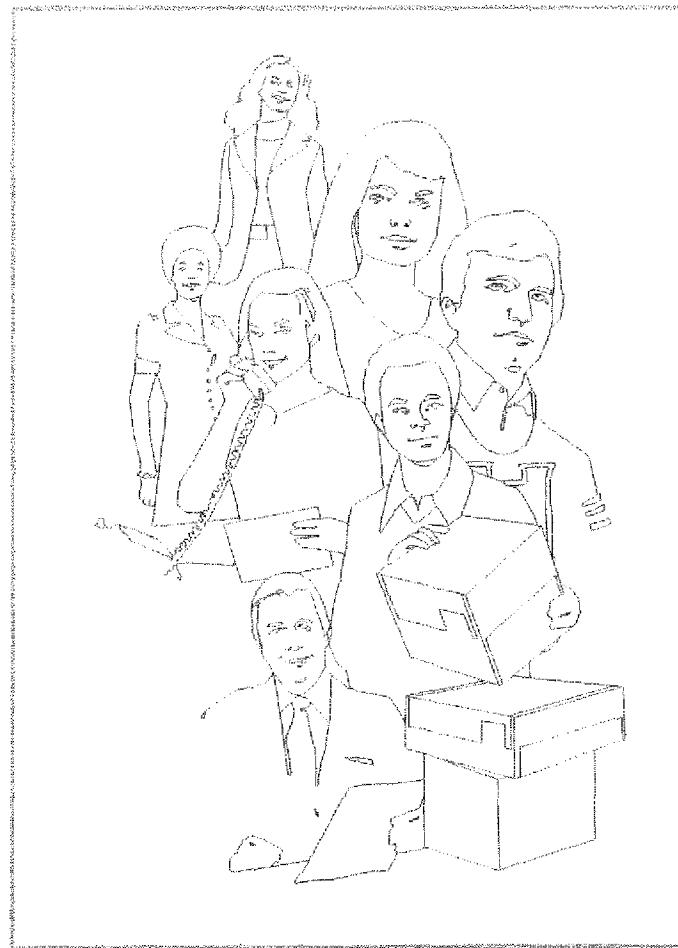
Termination of Employment

If your active employment terminates after working part of a calendar year, your vacation and Supplemental Time Off entitlement will depend on the date and type of termination as well as on your length of service. You will be entitled to at least half your "normal" vacation and Supplemental Time Off. Moreover, you will be entitled to full normal vacation and Supplemental Time Off if termination is after the applicable date as shown on the following page:

| Type of Termination | Effective Date of Termination |
|--|--|
| — Age 65 Retirement | February 1 |
| — Mutually Satisfactory, Special Early, and Corporation Option Retirements | March 1 |
| — Layoff; Mutually Satisfactory or Final Release; Military, Pregnancy, and Non-Disability Leave; Death | March 31 |
| — Early Voluntary Retirement; Quit | May 1 |
| — Discharge | (One half of vacation and Supplemental Time Off anytime during the year) |

If your employment terminates, your vacation entitlement may be settled in the form of a vacation allowance rather than actual time off work. Any vacation allowance will be reduced by the equivalent of any vacation previously taken in the calendar year. You will receive pay in lieu of any Supplemental Time Off not taken in the year in which you separate.

If your employment terminates in the first quarter of the year, the basis on which your vacation entitlement is calculated is your vacation eligibility as of October 1 of the prior year.



7. YOUR GM LENGTH OF SERVICE

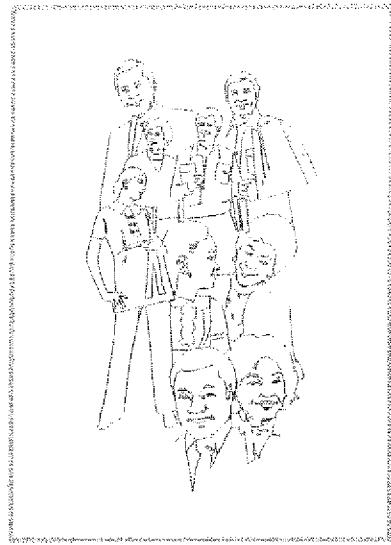
Your length of service is important to you in determining the amount of your vacation and it is a factor in determining the extent of your job security and participation in various GM employe benefit programs. As discussed on page 4, length of service is established when you attain the status of a regular employe.

Your length of service may include time spent in the following types of work assignment:

- All your unbroken salaried employment with GM or its wholly-owned subsidiaries.
- Your recognized hourly-rate employment when it precedes salaried employment in the same division.
- Your recognized hourly-rate employment at another GM unit which precedes a transfer made with the approval of both units.
- Periods of temporary or probationary employment worked within the 12-month period immediately preceding your attainment of "regular" status.
- Your unbroken employment with certain operating companies acquired by GM.
- Time spent in school and on GM work assignments if you are a cooperative student at any recognized college or university. The time spent in school and on GM work assignments by high school cooperative students generally is recognized only at the time of regular employment following completion of the cooperative education program.
- All or a portion of time you spend on an approved leave of absence (amount depends on the type of leave — see pages 21 to 25).
- Time preceding certain separations (as well as time absent under some circumstances) if you are re-employed within 12 months.
- All GM summer employment of a college student employed in a summer training program which precedes your regular employment with GM upon graduation.
- Up to 12 months of any continuous layoff, provided length of service is not broken or is re-established.

Your length of service is broken by:

- A quit or a discharge.
- A layoff which exceeds the lesser of (a) your length of service acquired at the time of layoff, or (b) five years.
- A mutually satisfactory release or final release if you are not re-employed within the succeeding 12 months.
- A special separation. However, if you are re-employed within the succeeding 12 months, your length of service will be adjusted upon recommendation of your employing unit and after review and approval by GM Central Office.



8. WHEN YOU NEED AN EXTENDED ABSENCE FROM WORK

Leaves of Absence

It is recognized that there may be occasions during your career when it will be necessary to be absent from work other than for vacation. If you are absent for seven consecutive calendar days or less and the absence is excused, you will continue to be compensated as usual. However, it may be necessary for you to be absent for a period longer than seven days. GM policy provides disability, military and special leaves of absence for salaried employees (excluding temporary employees) for times when you must be absent for more than a seven-day period.

The granting of a leave of absence is not a guarantee of your re-employment following the leave of absence. If you are eligible for re-employment, every effort will be made to reinstate you to your former position or one comparable to it, provided you are qualified to perform the duties of the alternative position.

Disability Leaves of Absence

If you furnish proof satisfactory to management of your inability to perform your normal responsibilities as a result of sickness or accident, you will be granted a disability leave of absence.

You will continue to accrue length of service for up to 12 months while you are on disability leave. Further, in the case of an occupational accident or disease compensable under a worker's compensation law, your length of service will continue to accrue for the entire duration of the disability leave.

If you are a classified employee and are placed on disability leave, your base salary and any Cost of Living Allowance will continue for a time period based on your length of service as shown in the table below. These salary payments will be reduced by the amount of Sickness and Accident benefits (S & A) payable under the GM Insurance Program.

| Salary Continuation Schedule for Disability Leave of Absence | |
|---|---|
| Length of Service | Period of combined salary and S & A* Insurance Benefits |
| Less than 1 year | 1 week |
| 1 but less than 5 yrs. | 8 weeks |
| 5 but less than 10 yrs. | 13 weeks |
| 10 or more years | 26 weeks |

*Sickness and Accident Insurance includes any Worker's Compensation or State Disability Benefits

After receiving the above payments, S & A benefits at 75% of base salary continue as provided under the GM Insurance Program.

If you are an unclassified employee, your total compensation while on disability leave is calculated on a basis consistent with S & A provisions for classified employees even though as an unclassified employee you are not insured for Sickness and Accident benefits.

If you are still disabled after receiving salary continuation and Sickness and Accident benefits for the maximum period, you may be eligible for monthly extended disability benefits. For further information about these and other benefits available in the event you are disabled, refer to the salaried employee booklet, "Your GM Benefits."

**Special
Leave of
Absence**

When it is desirable from your standpoint and desirable or acceptable from the standpoint of the Corporation for you to be absent from work for more than seven consecutive calendar days, you may be granted a special leave of absence for definite periods for reasons other than sickness, accident, vacation, or extended military service. You may request a special leave of absence for any of the reasons described below.

Government Service

General Motors employees are encouraged to become involved in civic and governmental activities as independent citizens. If you wish to serve in a paid government office which requires absence from your GM employment for a limited period, you may request a special leave of absence to protect your GM length of service. It would be wise for you to seek guidance from your supervisor or a representative of the Related Personnel Department prior to making any long-range commitments to government service.

A government service leave is without pay from GM, and is available if you wish to serve on a full or part-time basis in a local, state or federal elective office for which a salary, wages or other payments are provided. It also will cover the period of your election campaign in seeking such an office. In addition, this type of leave is available for a paid appointive position with a branch of government. Appointment to a civil service position, which is available to applicants for employment, is not covered by a government service leave.

Government service leaves, without GM pay, may be either informal or formal. An informal leave applies in the case of intermittent short-term absences from work. A formal leave will be granted if the government office or position requires full-time absence. The duration of a formal leave is limited to the initial term for an elective office and to one year for an appointive position. Extensions are available on leaves of less than four years except that the continuous period of any extended government service leave cannot exceed four years.

You will continue to accrue length of service while you are on a special leave of absence for government service, except that accrual will be limited to 12 continuous months of a formal leave.

Pregnancy

If you submit satisfactory evidence of pregnancy you will be granted a special leave of absence upon request. The leave will extend through the end of the second calendar month following termination of pregnancy. Sickness and accident insurance benefits may be payable for up to 1-1/2 months while on such leave. Upon termination of the pregnancy leave, you will be offered appropriate re-employment in your employing unit.

If you submit satisfactory medical evidence that you are unable to work at the time the pregnancy leave would normally expire, it can be extended, without pay, until the total leave time equals the greater of:

- (a) 12 months, or
- (b) your length of service at the time the leave commenced, up to a maximum of five years.

If upon expiration of a special leave for pregnancy, you would like additional time off work to care for your child, you may be granted a special leave for personal reasons, without pay, for a period of time based on your length of service as of your last day worked, as follows:

| Length of Service | Duration of Personal Leave |
|--------------------|----------------------------|
| Less than 6 months | No leave |
| 6 months to 1 year | 3 months |
| 1 year or more | 6 months |

Upon completion of your pregnancy leave (and any personal leave), continuous leave time up to 12 months is included in length of service. If your absent time should exceed 12 months, your recognized length of service date will be adjusted to include only the first 12 months of your leave upon return to work. If you do not make application to return to work upon expiration of pregnancy leave (and any personal leave), you will be separated from GM as a quit and will not be eligible for a separation allowance.

Jury Duty

GM encourages its salaried employees to cooperate in performing their civic responsibilities by serving in the jury system when so requested.

If you are granted a leave for jury duty, you will be paid base salary and, if applicable, Cost of Living Allowance and night shift premium, for the first seven consecutive calendar days of absence. Thereafter you will receive salary and Cost of Living Allowance, if applicable. However, salary payments for such leaves of absence exceeding one month's duration require special approval.

Fees you receive for jury duty will in no way affect your compensation from General Motors.

Educational Purposes

If you are a regular salaried employee and wish to continue your formal education, you may be granted a special leave of absence without pay for this purpose. The leave can be for a period of up to 12 months and may be extended upon your written request. Re-employment following an educational leave of absence is dependent on the availability of an appropriate position. The first 12 months of a special leave of absence for educational purposes will be included in computing your length of service upon your return to work following completion of the leave.

Personal Reasons

You may be granted a special leave of absence for personal reasons for up to six months, depending on the circumstances, provided you are not employed on a temporary basis. Such leaves are usually granted without pay. Under very unusual circumstances they may be granted with pay subject to the following maximums:

| Length of Service | Maximum Period of Special Leave With Pay |
|--------------------|--|
| Less than one year | One week |
| One year or more | One month |

A special leave for personal reasons without pay may be granted to a regular salaried employee who enlists in the Peace Corps (up to 30 months), or who performs civilian work as a Conscientious Objector (up to 24 months) in lieu of induction into the Armed Forces.

Time spent on special leave of absence for personal reasons will be included in computing your length of service, up to a maximum of three months.

Military Reserve Training

Because of the importance of the reserve components of the Armed Forces and National Guard to the defense of the nation, GM policy ensures that the job and career opportunities of its employees are not limited or reduced because of their service in the reserve or National Guard.

If you are not employed on a temporary basis and you take part in annual training or special active duty with a reserve component of the Armed Forces or the National Guard, you may be granted a special leave of absence of up to 90 days for this purpose.

If you are placed on a special leave of absence for this purpose and your GM length of service is at least one year, you will receive your regular pay from GM for up to two weeks* of such leave in any calendar year, reduced by any military pay received (other than for rations, subsistence and travel). Upon returning to work, the entire period of your leave (up to 90 days) is included in computing your length of service.

*Salary payments may be made for up to 30 days if additional active service is required because of an emergency.

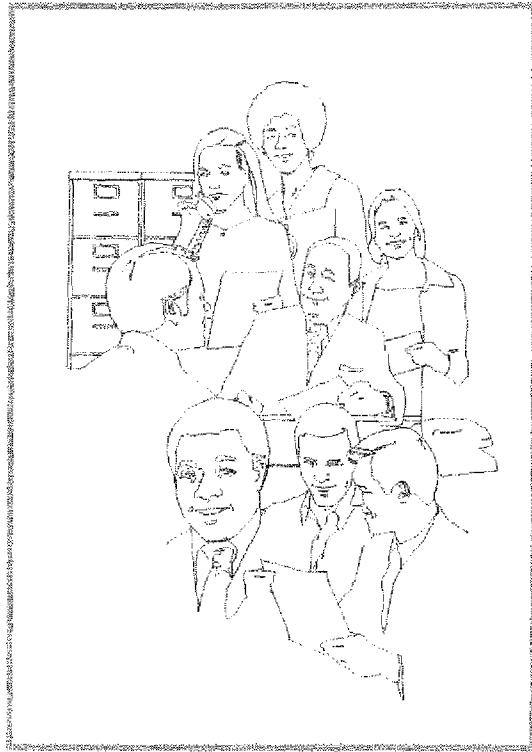
**Military
Leaves of
Absence**

If you enter into active service in the Armed Forces of the United States, you will be granted a military leave of absence without pay. Your leave will extend for the term of your initial enlistment, plus one consecutive re-enlistment, but not beyond eight years for any military leave of absence unless the additional service is involuntary.

An approved military leave of absence does not constitute a break in your length of service as a GM employee. Following the completion of such a leave, the entire period of the leave is included in computing your length of service provided you make application for re-employment within the period specified in the leave.

**Completion
of a Leave
of Absence**

If you are not re-employed following completion of an approved leave of absence, your employment usually will terminate as a Special Separation. However, in the case of disability leave, military leave, or special leave for government service or for pregnancy, if conditions upon your application to return to work from leave are such that you would have been laid off had your active employment continued, you will be placed on layoff-inactive status and you may receive layoff benefits or separation allowance payments if you are otherwise eligible. Please refer to page 27.



9. LAYOFF AND RECALL

Job Security

Job security for each of us is related to the success of General Motors and to our individual contribution toward the Corporation's success. General Motors has a good record of employment security. However, from time to time conditions may make it necessary to reduce the size of the work force. If this occurs, salaried employees whose performance is satisfactory — but who cannot be retained — will be placed in lower job classifications or on layoff. Employees whose performance is unsatisfactory will be released (see page 30).

Reductions in the Work Force

Selection of Employees for Layoff

Reductions in the work force are made separately by each department and job classification. However, several departments having common job classifications may be combined for this purpose, provided the work is interchangeable. If it becomes necessary to reduce the number of employees in a classification of work within a department, reductions will be made generally in the order of least total Corporate length of service. Exceptions may be made in the case of employees who have demonstrated superior ability and potential or who possess critical skills or abilities. In applying the "least service" concept to an employee whose service includes time spent as an hourly-rate employee, total Corporate length of service is recognized only after the employee has completed 12 months of continuous salaried service.

Before you are selected to be laid off you will be considered for placement on a job that you can capably perform with minimal training in the same or another department at the same salary level, or lower, if necessary. In some cases, this might result in displacing another employee with less service if there are no significant differences in your capabilities. If you have previous hourly-rate service, you will be given an opportunity to return to hourly-rate employment, if possible.

If you are going to be laid off, you will be given advance notice. At the time of layoff, you will be told why the reduction is necessary and the basis for your selection. You will be advised of your status while laid off, that you will be considered for recall when conditions permit, and that you will be considered for employment by other GM operations in the community.

Layoff Benefits

If you are a regular classified salaried employee with length of service of one year or more, layoff benefits may be payable to you for up to 12 months while on layoff. The employee booklet, "Your GM Benefits," contains additional information about the substantial income protection provided through the GM Layoff Benefit Plan.

If you are an unclassified employee with one or more years of service and are laid off, you may be eligible for monthly payments under the Separation Allowance Plan. The duration of payments to you is based on length of service and is shown in the chart on page 32.

Layoff-Inactive Status

If you are a regular salaried employee, your performance is satisfactory and you are removed from the active roll because of the need for a reduction in force, you will be placed on "layoff-inactive" status. You will not be classified as a layoff unless you are considered, by your employing unit, qualified for re-employment in the position you last held or a better one.

The amount of time you will remain on layoff-inactive status is the lesser of (a) 12 months, or (b) your length of service at the time of layoff. If you have less than six months of service, you are not eligible at the time of layoff to be placed on inactive status and you will be placed on layoff-separated status.

Layoff-Separated Status

If you are a regular salaried employee who has been laid off and placed on inactive status and are not returned to the active payroll within 12 months (or within a period equal to your length of service at the time of layoff, if your length of service is less than 12 months), you will be placed on layoff-separated status at the end of such period.

Recall from Layoff

Inter-Divisional Placement Service

Before new employees are hired, salaried employees who have been laid off will be offered the opportunity to fill openings in the plant or office from which they were laid off or in other plants or offices in the community, provided they are qualified to perform the work available. For placement and recall purposes, "community" includes any GM location within 25 miles of your home, or, if greater, the number of miles you traveled to work prior to being laid off.

To improve the opportunity for laid-off employees to find employment in other GM units, an Inter-Divisional Placement Service is provided through GM Central Office in Detroit. This placement service will maintain background data on all laid-off salaried employees whose periods of recall preference have not expired. Employing units will be furnished personnel data through this service to assist in matching laid-off employees with job openings.

Period of Recall Preference

The period of recall preference is the period of time following commencement of a layoff during which your prior length of service can be reinstated if you are recalled to work. Your period of recall preference is the lesser of (a) your length of service at the commencement of layoff, or (b) five years.

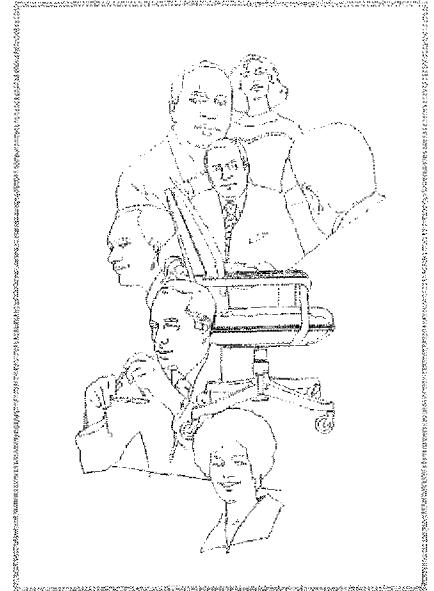
If you are recalled to work within the period of recall preference, your recognized length of service will be adjusted to include your length of service prior to layoff plus the time spent on layoff-inactive status.

Recall of Laid-Off Employees

If you are laid off, it is your responsibility to keep management informed of the address to which any communications are to be directed. The method of notification of change of address is established by each employing unit.

Refusal of Recall from Layoff Status

If you refuse recall from layoff by not accepting re-employment within a reasonable period of time in your former employing unit or another GM unit in your community, your GM employment relationship and benefit coverage may be adversely affected. For detailed information concerning your particular case, you should contact the personnel department at the location from which you were laid off.



10. WHEN YOUR GM EMPLOYMENT TERMINATES

Normally both the employee and General Motors have much to gain from a long, continuing association. However, in certain circumstances an employee may wish to terminate his or her service. In other cases, the Corporation may take the initiative, or the employee and GM may mutually agree that termination of employment is in their mutual best interest.

Separation Classifications

Each salaried employee who leaves the payroll other than by death or layoff is placed in one of the classifications outlined below. The reasons for the employee's separation, together with the separation classification as determined by management, will be a part of the employee's record. The employee will be advised of these reasons and the separation classification when the employee separates. This information will be used to determine the separated employee's eligibility under the various GM Benefit Plans.

Quit

A separation is classified as a quit if:

- a) the employee resigns from the Corporation prior to age 60; or
- b) the employee fails to report to work at the expiration of an approved leave of absence and in accordance with the terms of the leave; or
- c) the employee is on layoff-inactive status and fails to accept an offer of re-employment in the plant or office from which the employee was laid off. The re-employment offer may be for his or her previous position or one paying a salary not less than 80% of his or her salary at the time of layoff.

Discharge

The separation of an employee prior to age 60 for personal conduct in the course of his or her duties of such a character that the employee's continued employment would be contrary to the best interests of the Corporation is classified as a discharge. Some of the reasons for separation under this classification are dishonesty, wilful violation of instructions or Corporate Policy, insubordination, and refusal to comply with governmental requirements related to employment.

In addition, conduct reflecting adversely on the Corporation, even if it occurs apart from the course of duty, may in some cases be deemed by management as sufficient grounds for discharge.

Final Release

The separation of an employee because of unsatisfactory performance of assigned duties or physical or mental incapacity to perform assigned duties is classified as a final release. It is GM's policy that releases should be made promptly when it is determined that an employee's performance is unsatisfactory. This type of separation usually can occur only prior to age 55, but may be applicable between ages 55 and 60 if the employee, at the time of separation, has less than 10 years of credited service under the provisions of the Retirement Program for Salaried Employees.

Mutually Satisfactory Release

The separation of an employee prior to age 60 which cannot properly be classified as a quit, final release or layoff but which is satisfactory to both GM and the employee is termed a mutually satisfactory release.

Special Separation

The separation of an employee prior to age 60 which cannot be properly classified under any of the foregoing classifications because of some peculiar or special circumstances is classified a special separation.

Retirement

All separations at or after age 60, except death, are classified as retirements. In addition, certain types of retirements can occur prior to age 60.

Retirement classifications include:

- Automatic retirement at age 65.
- Retirement subsequent to automatic retirement date.
- Early retirement — total and permanent disability.
- Early retirement — at employee option.
- Early retirement — equivalent to a quit.
- Early retirement — equivalent to discharge.
- Early retirement — at Corporation option.
- Early retirement — under mutually satisfactory conditions.
- Early retirement — equivalent to special separation.
- Special early retirement.

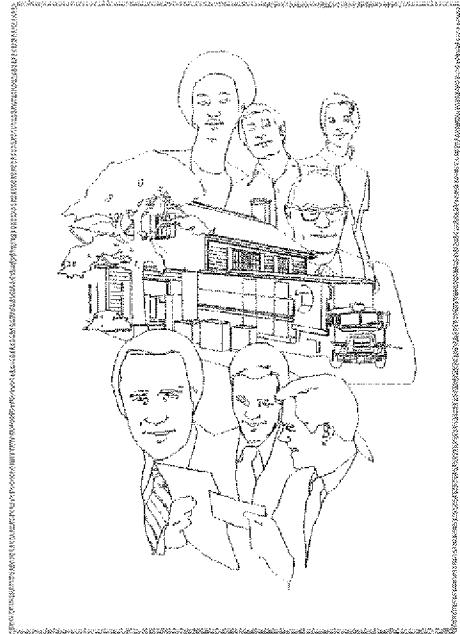
Refer to the salaried employee booklet, "Your GM Benefits," for information about the various GM benefits available upon retirement.

| | |
|----------------------------------|--|
| Exit Interview | Where possible, employees separating by resignation or as a result of Corporation initiated action, will be given an exit interview. In the case of a GM initiated separation, an exit interview will assist in fully informing the employee as to the reasons for separation and his or her status as a separated employee. |
| Payment for Period of Employment | Unless an employee quits, is discharged for cause, or dies, a separated employee will be entitled to receive as a salary payment any unearned base salary plus, if otherwise eligible, Cost of Living Allowance for the remainder of the contractual period of employment (calendar day or month as the case may be) in which the separation occurred. |
| Payment in Event of Death | Although GM is under no obligation to make any payment of salary for a period subsequent to death, Corporation policy provides that a gratuitous emergency cash payment in the amount of one month's salary may be made immediately to the surviving spouse, children or other member of a deceased regular employee's immediate household who would usually be responsible for funeral arrangements. No payment is made to the legal representative for the estate of the employee or to any other individual. This payment is not made in the case of temporary or probationary employees or in the case of regular employees who were not receiving salary when death occurred. |
| Separation Allowance | A Separation Allowance Plan has been established for the benefit of salaried employees separated from the payroll under certain circumstances. Where payments under this Plan are made to a laid-off unclassified employee, the term "separation allowance" will include layoff payments under the Separation Allowance Plan. Separation allowance is payable only to employees who are separated after at least 12 months of salaried service. Separation classifications for which separation allowance may be payable are <ol style="list-style-type: none">Final releaseMutually satisfactory releaseCertain special separationsCertain retirements where benefits are not payable under the Retirement Program. Payment of separation allowance is normally made in monthly installments equal to the employee's final monthly base salary. The amount of separation allowance is based on "average monthly base salary" and length of service as shown in the table below. "Average monthly base salary" means the average base salary during the last preceding 12 or 36 months worked, whichever produces the higher amount. For employees on a salary-plus-commission basis, separation allowance is based only on the employee's base salary, not including any commission or supplemental compensation determined by sales or earnings. Unclassified employees, who are ineligible for benefits under the Layoff Benefit Plan, may receive monthly layoff payments under the Separation Allowance Plan while on layoff-inactive status. See the following page. |

SEPARATION ALLOWANCE AS % OF AVERAGE MONTHLY BASE SALARY*

| LENGTH OF SERVICE | PERCENTAGE |
|-------------------------|------------|
| Up to 3 years | 50 |
| Years 4 to 4 years | 75 |
| 4 years up to 5 years | 100 |
| 5 years up to 6 years | 125 |
| 6 years up to 7 years | 150 |
| 7 years up to 8 years | 175 |
| 8 years up to 9 years | 200 |
| 9 years up to 10 years | 210 |
| 10 years up to 11 years | 230 |
| 11 years up to 12 years | 240 |
| 12 years up to 13 years | 260 |
| 13 years up to 14 years | 275 |
| 14 years up to 15 years | 300 |
| 15 years up to 16 years | 305 |
| 16 years up to 17 years | 310 |
| 17 years up to 18 years | 315 |
| 18 years up to 19 years | 320 |
| 19 years up to 20 years | 330 |
| 20 years up to 21 years | 340 |
| 21 years up to 22 years | 350 |
| 22 years up to 23 years | 360 |
| 23 years up to 24 years | 370 |
| 24 years up to 25 years | 380 |
| 25 years up to 26 years | 390 |
| 26 years and over | 400 |

*The inclusion of a schedule of separation allowances in this handbook, together with the conditions governing their payment, is not intended nor is it to be interpreted to establish a contractual relationship with the employee.



11. OTHER INFORMATION

Approvals

Management approvals are required whenever your compensation or status changes by promotions, transfer, leave of absence, separation or for any other reason. Depending on the action being taken and your own particular case, approval may involve your supervisor, department head, divisional General Manager, and in some cases GM Central Office.

Your Personnel Director, or another designated member of management, reviews all such changes to ensure that the action being taken is within the guidelines of GM Salaried Personnel Policies and Procedures. This review and approval process is designed to give employees every possible consideration and make personnel changes that are fair and equitable for all concerned.

The GM Substance Abuse Program

Substance abuse, including alcoholism, is regarded as a serious medical and social problem. It is General Motors policy to deal with substance abuse within the framework of the program discussed below.

An employee's alcohol or drug use becomes a concern to GM when it interferes with job performance even though it may cause problems outside the work place long before job performance is affected.

Every effort is made to identify alcohol or drug use in its early stages, to work with and to assist the employee, and to encourage treatment without delay. Your supervisor plays a key role in assisting and referring the employee to the medical department.

The Medical Director of each employing unit, or a designated representative, is available to consult with any employee about the nature of alcoholism or drug dependency and whether or not treatment is indicated, but he does not provide treatment. Medical records of each employee with alcoholism or drug use are maintained in the same confidential manner as all other medical records.

The decision to undertake treatment through sources qualified in the proper care of this problem must, in each case, be the employee's. The medical department is available for referral assistance in this regard. When medical treatment requires extended absence from work, a disability leave of absence with benefits will be available (see page 21).

An employee who brings his or her problem under control and whose job performance becomes satisfactory will be assured that his or her job security is not jeopardized. However, no special privileges or exemptions apply. If the employee does not cooperate in obtaining treatment and in improving job performance, then a decision will be made as to that employee's suitability for continued GM employment.

**Payment of
Moving Expenses**

If you are transferred for the convenience of the Corporation and, as a result, have to change your permanent residence, you will be reimbursed for reasonable and necessary moving expenses.

If you are transferred to a new location as a result of the discontinuance or transfer of operations, you will be reimbursed for reasonable and necessary moving expenses, as determined by GM, incurred in changing your permanent residence provided the transfer is to a plant or office at least 50 miles away from your prior plant or office location.

**Safeguarding
Your Estate**

You may be surprised, as the years pass, at the size of the financial estate you are able to accumulate through your savings and by participation in the various GM benefit programs. With care and planning you may discover sound ways to maximize the financial security which this estate can provide to your family. To assist on such matters you may find it helpful to seek the advice of a professional — your banker, attorney, or financial advisor — regarding the advisability of wills, trusts or other arrangements.

**If You
Have
Further Questions**

If you need further information about how the policies and procedures covered in this handbook apply to you, ask your supervisor. He or she will answer your questions or get the answers for you.

This edition of "Working With General Motors" supersedes in all respects all previously published editions of "Working With General Motors." Since it is impossible to cover every situation that may arise, the contents of this handbook are presented as a matter of general information only.

While General Motors believes that the plans, policies and procedures described in this booklet provide a sound basis for a good working relationship with its salaried employees, they do not constitute contractual terms or conditions of employment. General Motors reserves the right to modify or to change them from time to time, or to terminate them.

